

The Blue Ribbon Citizens Committee on Missouri's Transportation Needs

Final Report

December 2012



The Blue Ribbon Citizens Committee Final Report

INTRODUCTION

Missouri's transportation system plays a vital part in the lives of the State's citizens. It safely and reliably links people with jobs and services, businesses with suppliers and customers, students with schools and visitors with destinations. By efficiently allowing the flow of people and freight, the transportation system supports job creation, moves products to market, fosters economic growth and saves lives.

The State's transportation system is so critical that in March of 2012 the Speaker of the Missouri House of Representatives appointed a 22 member committee to "examine Missouri's current and future transportation needs and explore possible solutions." The membership was geographically diverse and reflected a broad range of private and public sector experience.

The Committee held seven regional meetings throughout the state. A total of 818 citizens attended and 208 separate individuals testified about a host of transportation issues. All modes of transportation were presented and welcomed.



As the Committee traveled across the state, they heard testimony about a wide and diverse range of transportation needs. Although it was clear that not every community or region has the same exact challenges, six themes were consistently heard. They were:

- **The existing system must be maintained.** Good transportation is vital and Missourians have invested too much already to allow our existing system to deteriorate.
- **Safety must continue to be a priority** when prioritizing transportation investments.
- **Missouri's transportation needs are multi-modal.** Although roadways remain a major priority for Missourians, other modes such as public transit, aviation, rail, ports, bicycles and pedestrians are also important.

BLUE RIBBON CITIZENS COMMITTEE MEMBERS

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- > Mr. Rod Jetton, Co-chair
- > Mr. Bill McKenna, Co-chair
- > Mr. Jim Anderson
- > Mrs. Becky Cleveland
- > Mr. Tom Crawford
- > Mr. Joe DeLong
- > Mr. Ed DeSoignie
- > Mr. Tom Dunne
- > Mr. Estil Fretwell
- > Mr. Blake Hurst
- > Mr. Ben Jones
- > Mr. Dan Mehan
- > Mr. Brian Meisel
- > Mr. Duane Michie
- > Mr. John Nations
- > Mr. Rick Neubert
- > Mr. Scott Smith
- > Mr. Neal St. Onge
- > Mr. Mark Stidham
- > Mr. Tony Thompson
- > Mr. Len Toenjes
- > Mr. Randy Verkamp

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- **Missouri does not have the financial resources to strategically expand the transportation system** and respond to emerging transportation needs, especially those related to economic opportunities.
- **A healthy and improved transportation system is critical to the State's future economic growth.**
- **MoDOT is well regarded by the State's citizens.** The department operates in an open and transparent manner and has made several organizational and operational improvements in recent years.

These recurring themes and the vast number of transportation needs that were identified during the meetings, provided the basis for the Committee's recommendations for addressing the State's transportation needs. They are:

- **The State of Missouri needs to invest an additional \$600 million to \$1 billion annually in transportation** in order to address Missouri's critical transportation needs.
- **MoDOT cannot "cut" its way to meeting the needs of the future** and the Committee recognizes that the Department has made substantial steps to save money and find efficiencies, including cutting more than 1,200 jobs.
- **Meeting these needs will likely require a combination of solutions.** The Committee cannot recommend any one solution for increasing Missouri's transportation revenues. However, this report will touch on a number of possible solutions for citizens and state leaders to consider.
- **Missouri should adopt a solution that is fair, accountable and transparent.** The State's transportation system benefits all Missourians and thus all citizens should play a role in its upkeep and improvement.
- **Any new revenue should be dedicated to transportation.** Taxpayers should feel confident that the resources are spent precisely as intended and not diverted to other uses.

A lasting observation of the committee was that the average Missourian, including some who are very dependent on transportation, lacked some basic knowledge of our State's transportation challenges and responsibilities. It became clear that an education component would be extremely helpful to anyone who cares about transportation issues. The Committee began passing out two information pieces to all in attendance beginning with the 3rd meeting, which can be found in Appendix A.

The Committee does not want this report to be like many past reports that have been distributed, perused and put on a shelf never to be seen again. Transportation is too important to be kicked down the road any longer. With this in mind, the report that follows is presented in such a way as to hopefully serve as an eye opening education piece about transportation in Missouri. It is intended to address: how MODOT is funded, how and where dollars are distributed throughout the state, who really makes these decisions, what should constitute transportation in Missouri, why history is important to the future, and finally what is needed to address the myriad of needs and opportunities presented at the meetings.

All meetings were held in compliance with Missouri's Sunshine laws and were conducted in an open manner. All meeting minutes are available on websites for the House of Representatives (www.house.mo.gov) and MoDOT (www.modot.mo.gov). In addition all handouts received by the committee are also available from either organization.

The Committee sincerely hopes that this report will help Missouri's citizens understand the impact, importance and opportunity that a good transportation system can offer to people in all stages and walks of life. It became obvious to all members of the committee that transportation in Missouri truly touches everyone.

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“Before we can seek a
solution, we have to
understand the need”

—John Nations,
President & CEO,
Metro Transit St. Louis



TRANSPORTATION IN MISSOURI

Missouri's multi-modal transportation system is maintained and managed by a wide variety of partners. Local city and county governments work through and in collaboration with their Regional Planning Commissions (RPCs) and Metropolitan Planning Organizations (MPOs), who in turn work closely with the Missouri Department of Transportation (MoDOT). These groups also work cooperatively with other partners, such as transit providers, railroad, airport and river port operators to deliver transportation infrastructure and services to the State's citizens.



33,702 Miles of State Highways.

In Missouri, these major roads have seen much improvement since the passage of Amendment 3 and the Federal Recovery Act expenditures, although upkeep is an ongoing struggle. 26,250 miles of roads lack adequate shoulders.



10,405 Bridges

Missouri has the 7th most bridges in the Nation. Over 2,200 are deficient and in need of repair. Each year, due to age, at least another 100 bridges are deemed deficient. Maintaining safe bridges is not only extremely important, but also very expensive.



Economic Development

The Missouri Highways and Transportation Commission sets aside dollars each budget cycle for local governments. Cities and counties can match those funds and use them to invest in infrastructure improvements to attract new businesses. Businesses can also partner directly with MoDOT.



Highway Safety

There is compelling data showing reductions in traffic fatalities and incidents on state roadways since the passage of Amendment 3, when more dollars were available for safety.



Other Transportation Modes

MoDOT's mission also includes responsibility for other modes of transportation within the state, including public transit, river ports, air, passenger rail, bicycles and pedestrians.

HIGHWAYS AND BRIDGES

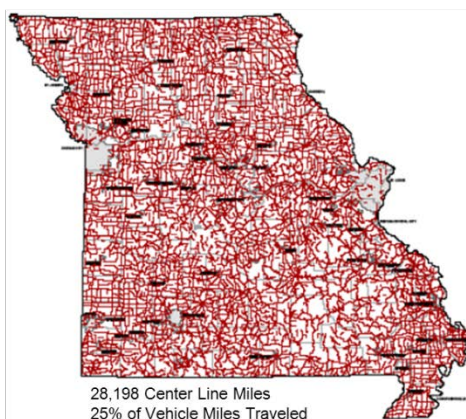
MoDOT is responsible for the 7th largest road system in America. In every corner of the State the Committee was told that taking care of this highway system was a top priority. It was widely acknowledged that the condition of Missouri's highways had seen a marked improvement and it was recognized that protecting that investment is extremely important.

Missouri has **33,702 miles of state highways**. Of these, 5,500 miles are considered to be major roadways – they carry 80 percent of the State's traffic and 88 percent of them are rated in good condition. The remaining 28,000+ miles are classified as minor routes. These highways, which are generally in rural areas, need more attention and improvements – 72 percent are rated in good condition. One of the unique challenges facing Missouri is that many of these less frequently traveled rural roads, such as the lettered routes, are maintained at the State level rather than at the local or county level as in many other states.

Major Missouri Highways



Minor Missouri Highways

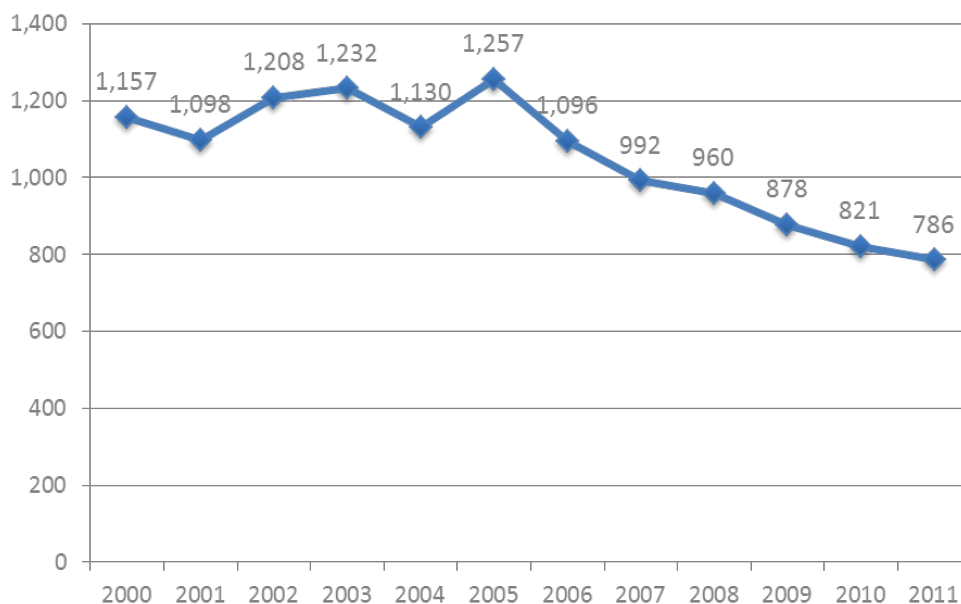


Missouri has **10,405 bridges on the State system**. The average bridge is 46 years old and over 2,200 are deficient and in need of repair or replacement. Maintaining safe bridges is not only extremely important, but also very expensive. Replacing them all would cost \$5 billion and each year, at least another 100 bridges are added to this deficient category.

As a result of our large river system and topography, Missouri also has more major bridges, 213, than any other state. These major bridges span over 1,000 feet or longer and 53 of the 213 cross the Missouri or Mississippi River.

Improving safety on Missouri's highways is another top priority of MoDOT's and was a point made to the Committee from a large number of citizens. Since more funding was made available for safety with the passage of Amendment 3, Missouri has seen significant reductions in traffic fatalities and incidents on state roadways. For more information about Missouri's safety efforts, see Appendix B.

Annual Fatal Crashes in Missouri



The average bridge in Missouri is 46 years old and over 2,200 are deficient and in need of repair or replacement.

“Maintaining safety and bridge infrastructure is a vital issue which represents an opportunity to return our economy to a healthy condition if resources are allocated in a responsible manner.”

—Bob Zick, Route 47
Missouri River
Committee Member

Specially designed guard rails, cables in the medians of many interstates, wider and more reflective striping and signage and rumble strips along pavement edges and centerlines are having a big impact. As one citizen group put it, however, “Don’t stop now, MoDOT. There is more to do.” The most common observation was the need for more shoulders on rural roads where 26,250 miles of minor highways are still without adequate shoulders.

In addition to capital improvements, electronic message boards have been deployed to remind drivers to be aware of their surroundings, and inform them of road and weather conditions. It was noted by some that public awareness of the benefits of seat belt usage and the dangers associated with texting and talking on the cell phone while driving also are important.

System expansion is required if MoDOT is going to keep up with population growth and the emerging needs that result. At each meeting, a list of necessary major projects identified by local officials and projects in the area’s long-range plans were presented. Funding is not identified to address any of these projects and additional revenue would be required to address these projects. Five years ago, it was estimated that the system expansion needs would require approximately \$1 billion a year in additional investment for the next 20 years.

A draft of the projects identified in each district is included in Appendix C and can also be found on MoDOT’s website. Although these projects must be vetted through the formal planning processes, the list provides a sense of the scope of the statewide road and bridge needs, as all of the projects are important.

MODES

MoDOT's mission also includes responsibility for other modes of transportation within the State, such as rail, river, air, and public transportation. The success of these other modes of transportation has the potential to support economic growth and to alleviate future traffic on our already stressed road and bridge system. At every meeting, testimony was given that MoDOT should also be investing more in other transportation areas along with roads and bridges.

In these areas, most of MoDOT’s funding comes from Federal sources. In order to spend State funds, because the State Road Fund revenues are constitutionally required to be spent on roads and bridges, the Department must seek general revenue dollars from the General Assembly during the annual budgetary process. Historically, this has not been very successful, as the General Assembly struggles to support other worthwhile state programs. During fiscal year 2012:

- Transit received \$1.2 million. At it’s height in 2002, State Transit Assistance was more than \$8 million.
- Ports received \$97,768.
- Rail received \$7.9 million of a \$8.7 million request of for Amtrak passenger service.
- Airports received \$8 million, all of which came directly from the aviation fuel tax.



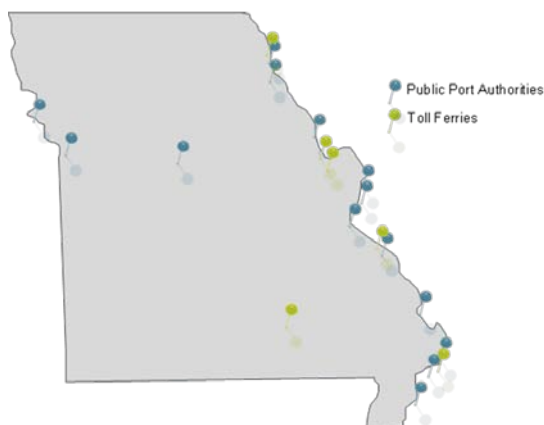
Public transit helps to move people to and from jobs, schools, retail centers and health care and is a driver in any successful economy. This important mode also is underfunded in Missouri. The issue was brought up at most meetings, but testimony was particularly emphatic in Springfield, Hannibal, Kansas City, and St. Louis.

Many of Missouri's workforce, elderly and lower-income residents rely on public transit – more than 78 million passenger trips are taken each year. Missouri's existing public transportation network consists of a range of transit systems, from light rail transit in St. Louis to rural Paratransit services across the state.

Missouri's larger cities typically offer better transit services in terms of hours, number of routes and service levels – in some cases offering transportation nearly 24-hours a day, seven days a week. Transit dependent residents in smaller communities and rural areas typically rely on limited scheduled trips (specific days per week or month) or on-demand services that must be scheduled in advance. During the meetings, testimony was given that many people and businesses looking to relocate are often concerned about good public transit services. More on public transportation in Missouri can be found in Appendix D.

River ports, when they are adequate and accessible, offer an excellent economic benefit for Missouri. There are 14 public river ports currently, and St. Louis is the third largest inland port in the United States. Having the two largest rivers in America at our doorstep presents a sizeable opportunity for the State. Growth is expected as the changes at the Panama Canal will push many goods away from the coasts.

Missouri's Public River Ports



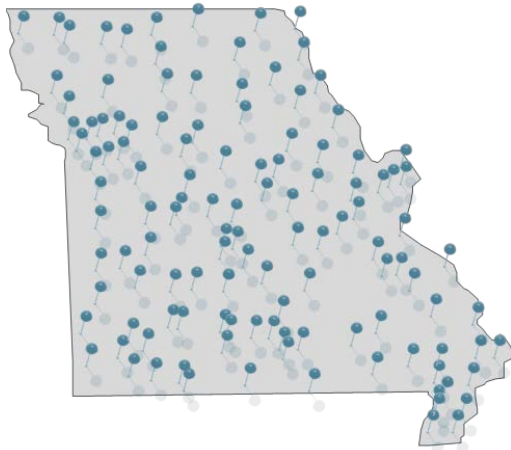
Air cargo sites are partially funded by MoDOT because the Department acts as the conduit for federal dollars and a state fuel tax levy on jet fuel helps fund current

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“In today's economy,
manufacturing
requires on-time
delivery and air cargo
plays an essential
role.”

—Steve Stockam,
Joplin Regional Airport
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aviation requests. Many smaller communities lack the dollars needed to expand runway capacity needed to lure industry effectively. The needs far exceed any dollars available to MoDOT. Missouri has 126 public use airports and 34 business capable airports.

Missouri's Public-Use Airports



Passenger Rail in Missouri is limited, but the Missouri General Assembly does help Amtrak run trains between Kansas City and St. Louis. The train stops in Kirkwood, Washington, Hermann, Jefferson City, Sedalia, Warrensburg, and Independence as well as in the terminus cities of St. Louis and Kansas City. The ridership is up considerably and the on time performance is much improved.

Freight Rail plays an important role in Missouri as well. Kansas City has the second largest rail hub in the country and St. Louis is the third largest. The State has 4,400 miles of mainline track, 2,500 miles of yard track, and 7,000 grade crossings. Opportunities exist to make our state the distribution center for many areas.

Bike and Pedestrian is usually handled locally but Missouri does have about 600 miles of shared use roadway and the Department has begun to aggressively work with their planning partners to create opportunities to accommodate this vital sector.

TRANSPORTATION AND THE ECONOMY

Economic Development and Jobs are key to growing Missouri and transportation is the lynchpin in this process. It was clear from the testimony that local communities can readily see the positive impacts that result from transportation investments. Studies show that every dollar invested in transportation in Missouri generates \$4 in new economic activity and that for every billion dollars spent on transportation an excess of 27,000 jobs is generated. These jobs are mostly local to Missouri and include not just the workers on the worksite but also those in the local cement plants, rock quarries, steel manufacturers, truckers, asphalt companies, and many others. This is just the construction end, and does not include the businesses that support these jobs, such as equipment manufacturers, hotels, restaurants, etc. Nor does it capture the long-term opportunities generated because of the new asset, such as when an industry takes advantage of a new port or a new business locates next to a new interchange. This committee strongly believes that this is an excellent way to create good local jobs and grow our state's economy.

The Missouri Highways and Transportation Commission sets aside dollars each budget cycle to assist communities in seizing economic development opportunities. These matching funds are made available to cities and counties to lure new

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“Our company traveled 1.9 million miles to distribute merchandise to our customers last year. We depend on a good transportation system – it helps the economy and it helps rural areas of the state grow.”

—C.W. Williams,
O'Reilly Automotive

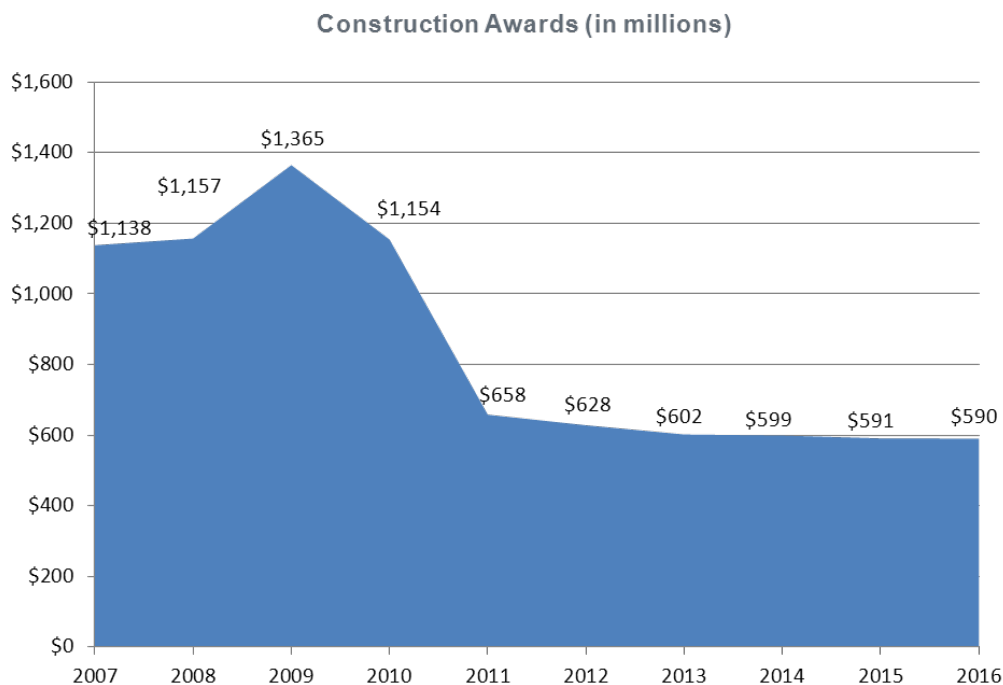
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businesses. This program has proven highly successful and the dollars are spoken for years in advance. In addition to the obvious economic development tool, it has also enhanced the State highway system at half the normal costs.

THE NEEDS

The Committee received volumes of ideas and suggestions related to investment needs in all modes of transportation. Appendix E includes a short synopsis presented by each district engineer as it relates to roads and bridges.

It is conservatively estimated that the required additional revenue to address Missouri's transportation system needs fall in the range of \$600 million to \$1 billion per year. As seen in the figure below, MoDOT's construction program has fallen from more than \$1.3 billion in 2010 to just over \$600 million today. This is barely enough to maintain the State's existing system, much less tackle the projects that create jobs, increase safety, ease congestion and foster economic development.



“MoDOT's \$1.2 billion construction program has effectively been cut in half. This is barely enough to maintain the State's existing system.”

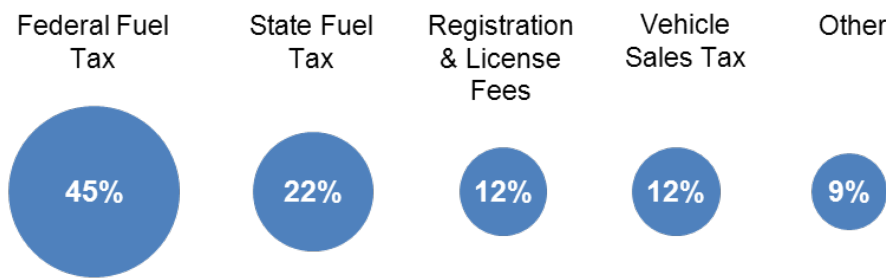
—Kevin Keith,
Director of MoDOT

The vast majority of presenters were satisfied with the spending levels of 2007 through 2010 as time and time again citizens referenced the progress seen during that time. Just to match the expenditures and accomplishments between 2006 and 2010 would require an additional \$650 million to \$750 million per year. During his testimony, MoDOT Director Kevin Keith estimated that the Department's needs easily approach an additional \$1 billion per year for 20 years. This type of commitment would protect the investment that Missourians have made in their infrastructure, continue the progress of making the State's roads safer, allow the State to capitalize on economic development opportunities as they emerge, and provide support for other transportation modes.

TRANSPORTATION FUNDING IN MISSOURI

FUNDING SOURCES

MoDOT is responsible for the 7th largest road system in America and is funded with the 6th lowest State fuel tax in the country. Funding flows to MoDOT through four main sources:



The Federal Fuel Tax makes up 45 percent of MoDOT's revenue. These dollars come from the Federal Highway Trust Fund (HTF). The federal fuel tax is 18.4 cents per gallon for gasoline and 24.4 cents for diesel fuel. Federal fuel tax rates have not been raised since 1993. The HTF does not currently generate enough money to keep up with the federal appropriations. For the past few years, Congress has filled the gap with federal general revenue. This is becoming a challenge as the federal deficit grows.

State Fuel Tax revenues account for 22 percent of MoDOT's revenue and flow into the State Road Fund for use on roads and bridges. Today the State's fuel tax rate is 17 cents per gallon and it was last raised in 1992 when the General Assembly passed a 6-cent increase phased in over four years (2 cents in 1992, 2 cents in 1994, and 2 cents in 1996). A history of state fuel taxes can be found in Appendix F.

Motor Vehicle and License Fees account for 12 percent of MoDOT's revenue. These fees were last increased in 1984.

State Sales Tax on Vehicles generates 12 percent of MoDOT's revenue. The voters last raised the State sales tax in the 1980s. A 1-cent increase was earmarked for education in 1983 and a 1/10-of-a-cent increase for state parks and soil and water conservation was passed in 1984. At that time only half of the vehicle sales tax came to MoDOT. In 2004, voters adopted Amendment 3, giving the other half to the Department. Amendment 3 also prevented any future divergence of MoDOT dollars to other state agencies and required that the new one-half of vehicle sales tax be dedicated to bond indebtedness. This constitutionally mandated that MoDOT sell bonds to build projects and use the one-half vehicle sales tax to pay the debt on the bonds.

The remaining 9 percent of MoDOT's revenue is generated from other sources, including interest earnings, a small state general revenue appropriation, and other miscellaneous revenues such as cost share reimbursements from other entities.

FUNDING DISTRIBUTION

Not all transportation revenue comes directly to MoDOT. Cities and counties receive a portion of the State's fuel tax and funding for the State's Highway Patrol is paid out

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"In 2009, we did 93% of our work in Missouri. Now we do less than 32% in Missouri. We've had to go to other states where transportation funding is more readily available."

—Tom Hayes,
AGC – Fred Weber, Inc

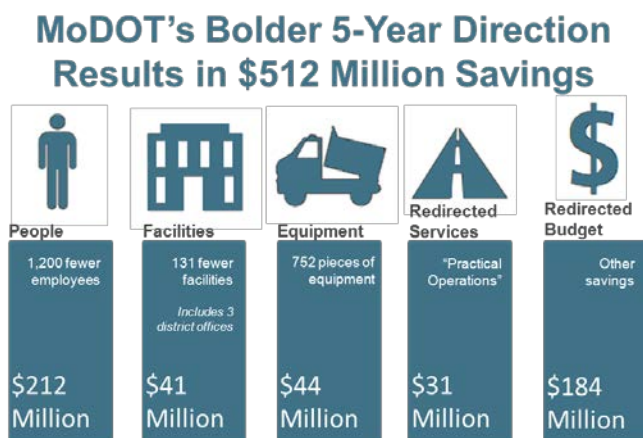
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of existing highway funds. Additionally, the Department of Revenue receives funding from transportation sources. For more details on MoDOT's revenues and expenditures, see Appendix G.

After MoDOT pays salaries and benefits, buys supplies, materials and equipment, pays for operating expenses and bond indebtedness, the remaining dollars go into the construction program. This money is allocated through a funding distribution formula that was adopted by the Missouri Highways and Transportation Commission in 2006. (For more about the Commission, see Appendix H). Using data-driven and measurable criteria, dollars are designated to each of MoDOT's seven districts.

Each MoDOT district collaborates with its local planning partners such as Metropolitan Planning Organizations and Regional Planning Commissions to make regional funding and project prioritization decisions. In simple terms, this approach allows local people to make local decisions. More information on the funding allocation and decision making process can be found in Appendix I.

The general public also has a role in the transportation decision making process. Through the public involvement process during the planning, programming, and project development phases, Missourians have an important voice in how transportation dollars are spent in their region. The process begins several years before construction begins on a project. There are four basic steps, including developing a vision and a plan to accomplish it, identifying and prioritizing needs, developing solutions and design, and finally selecting projects for the construction schedule. For more information about this public involvement process, see Appendix J and visit www.modot.org/plansandprojects/index.htm



THE VIABILITY OF THE MOTOR FUEL TAX

The motor fuel tax has provided the bulk of transportation revenues in the U.S. and in Missouri for decades. Unfortunately, for a variety of reasons the fuel tax will be less reliable in the future than it has been historically.

There has been mild growth in fuel tax revenues since the General Assembly last voted to raise the tax in 1992 - more than 20 years ago - in large part because Missourians drive more miles and use more fuel than they did then. However, these increases have not kept up with inflation, especially when compared to the costs of

MoDOT is reducing expenses by \$512 million over 5 years. The savings realized have been put back into the construction award program and will be used for transportation improvements.

The department has assured the public and elected officials that the actions taken are to "right size" the department and will not compromise safety or quality.

In addition to the Bolder Plan, MoDOT has been nationally recognized for its Practical Design Program and for collaborative working relationships with its contractors.

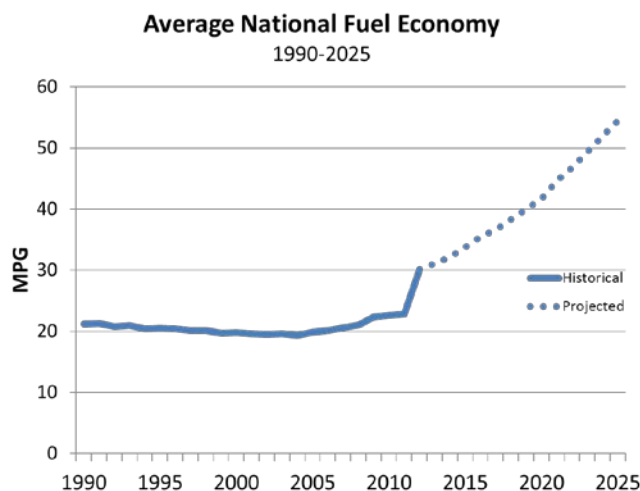
the materials that are vital to building and maintaining highways and bridges. The figure below demonstrates how concrete and asphalt cost have increased nearly three times faster than motor fuel tax revenues.

Comparison of motor fuel revenue growth with the increase in concrete and asphalt prices			
	1992	2011	% increase
Fuel Tax Revenues	\$368M	\$686M	86%
Concrete	\$51.30 per yd ³	\$153.60 per cu yd ³	199%
Asphalt	\$21.52 per ton	\$59.31 per ton	176%

The motor fuel tax has not kept up with rising costs.

Americans also are driving less now than they were five years ago. This is at least in part due to rising energy prices. Many assume that transportation revenues must increase as the price of gas goes up, but this is not the case. Fuel taxes are collected by the gallon instead of as a percentage of the price, meaning that although gas prices have increased from \$1.13 per gallon in 1992 to \$3.69 per gallon in 2012, the portion of the price that is tax has remained flat at 35.4 cents per gallon in Missouri.

The biggest challenge to the reliability of motor fuel revenues in the future is due to the increase in average fuel economy of vehicles. As vehicles become more fuel efficient, they use less fuel and, as a result, users pay less tax. For years, the average fuel efficiency in the U.S. hovered around 20 miles per gallon. As new federal fuel efficiency standards are implemented, the average vehicle is expected to get 54.5 miles per gallon by 2025. Without a significant increase in the fuel tax, the result will be severely diminished transportation revenues from motor fuel taxes.



FILLING THE GAP

At the public meetings, the vast consensus was that more dollars were necessary to move Missouri forward and meet the State's transportation challenges. The Committee encouraged discussion and suggestions on how to raise the funds to address the myriad of needs presented. Below is a list, in no particular order, of what the Committee heard and their thoughts on each suggestion.

It is noted that in Missouri there is a Constitutional requirement that any significant increase in taxes or new revenue source must be approved by a public vote. Public votes can occur by either an Initiative Petition (a designated number of signatures from registered voters) or by action taken by the General Assembly known as a Joint Resolution. The Committee makes no recommendation regarding which way is best, but merely wants to state the options, as these decisions will be made by others in the future.

POSSIBLE SOLUTIONS

The following are the suggested ways to raise revenue that were presented to the Committee:

General Fund Revenues. The General Assembly could begin appropriating general revenue dollars toward transportation. Knowing the scope of the needs (estimated between \$600 million to \$1 billion annually), the Committee asked those members of the General Assembly who testified about this possibility. All indicated that under the current funding structure, there is a struggle each year to fund existing state programs and suggested that funding from general revenue sources would be difficult to appropriate to transportation as long as other high priority needs like education are also under-funded. The Committee asked if any new growth in general revenue could be set aside for transportation and received the same doubtful prospect.

Bonding. Bonding is often thought of as an opportunity to raise funds for transportation. It worked well with Amendment 3. The cost of money is very attractive in today's bond market and Missouri and MoDOT have excellent credit ratings. For this to work, however, there needs to be a new dedicated source of revenue for the length of the bond payments. The Missouri Highways and Transportation Commission does have bonding authority that they were given in 2004 through the approval of Amendment 3, but stopped using it because they lack a source of revenue to repay the bonds. The Committee feels that this is a viable option, but comes back to the same question "Where does the payback revenue come from?" MoDOT needs funding, not financing.

Tolling and/or Public Private Partnerships (P3s). These are viable options for certain interstates in Missouri, but not for the myriad of transportation issues brought before this Committee. Senate testimony last year indicated that this option would most likely work on I-70 and I-44. Questions arose, however, as to the size of the toll fees required and whether the General Assembly has the authority to approve these without a public vote. This Committee is unable to answer these questions. Testimony before the Committee indicated that there is little consensus – many supported the idea but it had its share of detractors as well.

Sales Tax. An additional state sales tax, earmarked for transportation was brought up at every meeting, often in a positive light and sometimes with cautions. As shown in the figure on the following page, Missouri state sales tax rates are lower than its neighboring states. The plus side to a sales tax is that it is broad based and has significant revenue generating capability. A one-cent sales tax is estimated to

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“This is the show-me
state, and when
Missourians know
what they’re getting
for their money they
always seem to step
up to the plate.”

—Bill McKenna,
Blue Ribbon
Committee Co-Chair
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generate \$700 million per year and keeps up with inflation. Likewise a one half-cent sales tax would generate about \$350 million a year. It is simple to explain and easy to collect. It is paid by people who buy items in Missouri and those items most likely got to their destination because of our transportation system. The cautions raised usually came from cities or counties who rely on sales taxes as one of their main sources of revenue. There was concern that when state and local sales taxes are added together that the rates, in some areas, could make Missouri uncompetitive. In addition, MoDOT shares its gas tax revenue with cities and counties, but general sales tax revenue would not automatically be allocated to cities and counties. This last objection could be addressed if this option were pursued and allow local entities to address their infrastructure issues as well.

Fuel Tax. Missouri has the sixth lowest fuel tax in the country. Testimony was given that Missouri's very low fuel tax provides a competitive advantage with surrounding states. These comparisons are shown in the figure below. It was mentioned that if the federal fuel tax was raised that advantage would remain as gas taxes would go up nationwide. This Committee has no sway over the federal decision making process and, in fact, heard testimony that Missouri should not look to Washington for any solutions. The upside of fuel tax is that it is a user tax and it has historically been how transportation is funded, but the downside is that it is no longer a sustaining way to fund transportation in the long run. As stated before, cars are getting much more fuel efficient, car manufacturers are looking to the future with more electric models or non-internal combustion engine vehicles. The Committee learned that a one cent increase in fuel tax would generate \$30 million dollars for the State, a two cent increase - \$60 million and so on. To reach the level suggested to address the shortfall, fuel taxes would have to be raised somewhere between 20 to 30 cents a gallon. A marginal increase could be a part of a larger funding package.

License and Registration Fees. Since license and registration fees have not been raised in almost 30 years, suggestions were brought forward to increase these fees. Per the Department's calculations, such fees would have to be raised to a very high level to achieve the revenue sought. This figure would require raising all license fees around \$210.00 annually, but a smaller increase could be a part of a larger funding package.

Illustrative Revenues Generated from Increases to Existing State Sources

Option	Current Level	Change	Annual Incremental Revenue
Fuel Tax	17¢ per gallon	1¢ per gallon	\$30 million
Sales Tax	4.225%	1 %	\$700 million
License and Registration Fees	Ranges from \$32 to \$65	50% increase	\$140 million

Vehicular Mile Tax. This mileage-based concept was also brought before the Committee. Although this has some potential to ensure everyone who uses the systems pays for their use, the logistics seem difficult to achieve and should probably be addressed at the national level. This option did not get much traction.

Transportation Districts. A proposal dubbed "Plan B" was brought before the Committee. It would break the State into "transportation taxing districts" (for lack of a better word), to allow each area of the State to address their specific needs. Georgia made a recent attempt to do this. The down side is that many transportation issues are not confined by district boundaries and are better recognized at the statewide

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"If the citizens raised the State sales tax for transportation, we could generate jobs, spur economic development, and improve safety, all while keeping our tax rate lower than nearly all of our surrounding states."

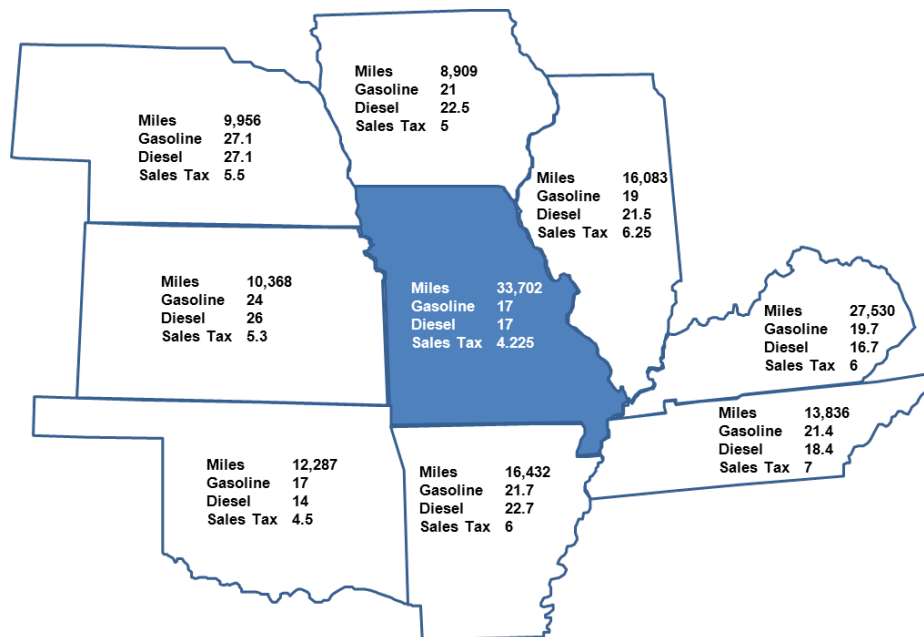
—Joe DeLong,
Blue Ribbon
Committee Member

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level. The presenter cautioned that this was NOT the preferred way to address transportation but merely an alternative. It would take legislative action to create these districts and then eventually a public vote in each district to raise new revenue.

Border State Revenue and Highway Miles Comparison

(Tax rates shown are State rates)



ADDITIONAL GUIDANCE ON ANY REVENUE PROPOSAL

In addition to the proposed possible funding solutions outlined above, several principles to guide the development of any new proposals were suggested. The Committee considered the following to be very relevant:

- **Clearly indicate the intentions.** It was reiterated that if a proposal was presented to the citizens of the State, the plan should indicate where and how the revenue would be used (i.e. project lists).
- **Ensure it is measureable.** Any proposal should be measurable and transparent so that the citizens can review progress.
- **Include a sunset provision.** Many that testified, although not all, felt that any proposal should have a sunset provision, so voters could also judge progress and commitment.
- **Dedicate the funds to transportation.** Restrictions should be in any proposal to guarantee that the new dollars go to transportation and cannot be diverted to other state programs.

CONCLUSION

The Committee's conclusions are that an additional \$600 million to \$1 billion per year will more adequately address our State's growing transportation needs and that the voters of Missouri should be given the opportunity to make that investment. Making this investment is extremely vital to Missouri's economic growth. Missouri cannot prosper without a strong and diverse transportation system. Missouri, at the center of the nation with two major rivers and unrivalled rail potential, excellent interstates, should be the distribution center for America. The Commission and Department have taken the necessary steps and sacrifices to right size itself and cannot further cut its way to fixing our roads. Safety cannot take a break and must be continued at a high level because even though fatalities are at historic lows, one death is one too many.

We conclude that Missouri cannot continue to kick this issue down the road any longer. We conclude that building and maintaining our infrastructure creates jobs---lots of them! By the variety of testimony in all parts of the state, the Committee has concluded that transportation is one issue that unites both political parties. It unites business and labor, urban and rural constituencies, manufacturing and farming interests. Transportation is important to cities and counties of all sizes. It is a tangible issue and asset that every Missourian experiences in some form and it benefits everyone, everywhere.

We conclude that transportation is more than just roads and bridges - other modes of transportation are also important to Missourians and to our State's economy. The Committee feels that the safeguards and planning procedures are in place, that the department is professional and that the Commission has a well thought out distribution system that allows local project prioritizing and, when adequately funded, addresses taking care of our existing system and allowing effective growth.

The Committee recommends that our elected state officials in the Executive branch and in both the House and Senate take an ownership in the incredible investment this state currently has and must make in its infrastructure. And we encourage them to work together for the future of Missouri.

Our Committee is committed to seeing this effort through to fruition because the state has too much at stake. All members will be happy to remain a part of this dialogue and we are willing to work alongside the Governor, the General Assembly and any supporting group that wants to make this a reality. History has shown that the public, as well as the General Assembly, will support transportation tax increases when the issue is understood and the appropriate leadership steps up in a bipartisan manner. We look forward to a better and safer tomorrow.

Finally, the Committee wants to thank former and current leadership in the Missouri House of Representatives for having the foresight to appoint and support this Committee's efforts to make Missouri a safer and better place to live.

COMMITTEE CHAIR SIGNATURES

The signatures of the co-chairs below illustrate the concurrence and support of the 22 committee members.

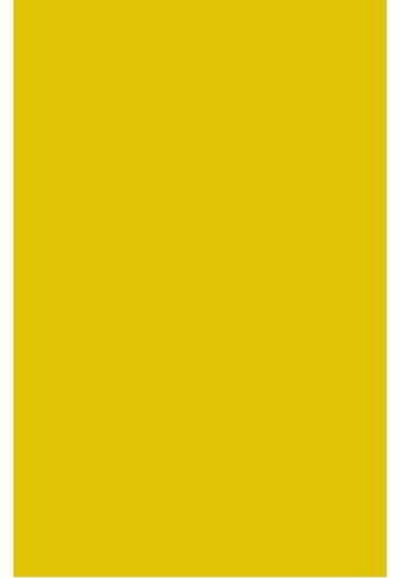
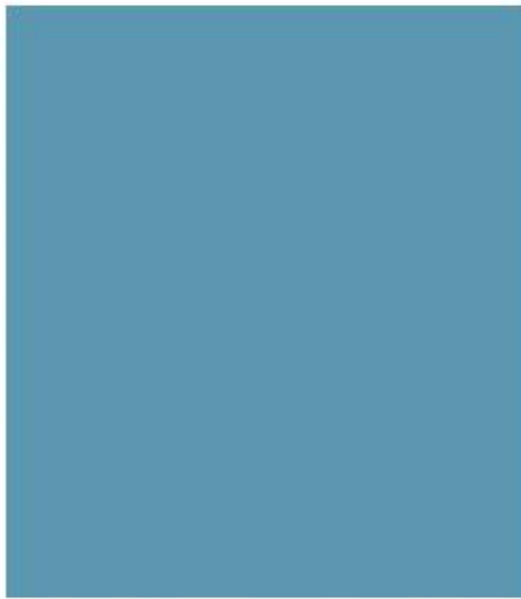


Rod Jetton, Co-Chairman



Bill McKenna, Co-Chairman





The Blue Ribbon Citizens Committee on Missouri's Transportation Needs

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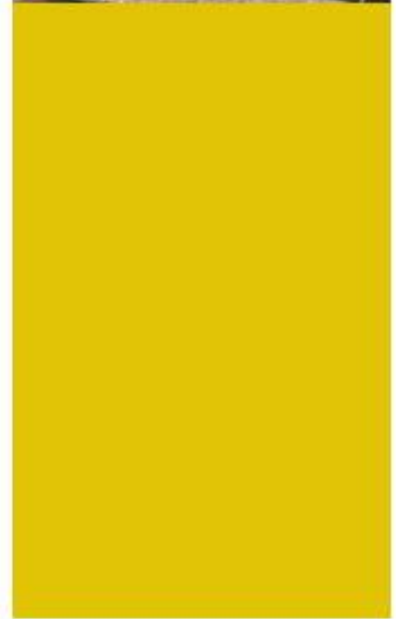
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Funding Distribution

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Public Involvement





APPENDIX A

Blue Ribbon Handout

Missouri Transportation Facts

Missouri's transportation system is the 7th largest in the U.S., with:

- 33,702 miles of state highways
 - Major Roads – About 6,000 miles that carry 80 percent of the state's traffic
 - Includes 1,400 miles of interstates
- Minor Roads – About 27,000 miles that carry 20 percent of the state's traffic
 - 26,250 miles of highways have no paved shoulders

10,405 bridges on the state system (on average are 46 years old)

- 2,500 are deficient – would cost \$5 billion to replace them all – and 100 become deficient each year
- More major river crossings – 53 – than any other state

Every dollar invested in transportation in Missouri generates \$4 in new economic activity.

Every billion dollars spent on transportation generates in excess of 34,000 jobs.

Unemployment in Missouri's construction industry is 17.2 percent – more than double the overall state rate of 7.4 percent.

Goods movement is important to Missouri's economy. Truck traffic is predicted to double by 2030.

Missouri's transportation system includes travel modes other than roads and bridges. Other modes of transportation are currently funded by the Missouri Legislature from general revenue. During fiscal year 2012:

- Transit received \$1.2 million for the Missouri Elderly and Handicapped Transportation Assistance Program;
- Ports received \$97,768;
- Rail received \$7.9 million for Amtrak passenger service; and
- Airports received \$8 million.

Through its Bolder Five Year Direction, MoDOT has done its part by reducing its operating expenses in order to invest every possible dollar into Missouri's transportation system.

\$512 Million Savings



People

1,200 fewer employees

\$212 Million



Facilities

131 fewer facilities
Includes 3 district offices

\$41 Million



Equipment

740 pieces of equipment

\$44 Million



Redirected Services

'Practical Operations'

\$31 Million



Redirected Budget

Other savings

\$184 Million

Missouri Transportation Funding Facts

The proceeds from Amendment 3 coupled with federal stimulus funds swelled MoDOT's construction budget to an average of \$1.2 billion per year from 2006-2011, and enabled dramatic improvements in Missouri's transportation system.

That budget is now less than \$700 million, just enough to maintain Missouri's existing system. To get back to the higher budget levels of recent years would require about \$500 million per year, still shy of what is needed. Five years ago MoDOT identified statewide system needs that would require an additional \$20 billion – or \$1 billion per year for 20 years.

Missouri highway and bridge projects are funded by a mix of Federal and State funds that are largely generated by fuel taxes.

- Federal fuel taxes haven't changed since 1993, and State fuel taxes haven't changed since 1992 – when the average price of gasoline was just over \$1.00 per gallon.
- The federal Highway Trust Fund has funded highway and bridge projects since 1956. It is dependent on the federal fuel tax. But in the last two years it has needed an infusion of \$35 billion from general revenue to remain solvent.
- Only five states have a lower fuel tax than Missouri.

Current State Revenue (per year):

- 1 cent of Gasoline Tax raises \$21.5 million for the State* and \$9.2 million for cities/counties.
- 1 cent of Diesel Tax raises \$6.8 million for the State* and \$2.8 million for cities/counties.
- 1 cent of General Sales Tax raises \$657 million for the State* and \$12.7 million for cities/counties.

MoDOT also receives revenue from motor vehicle and driver license fees and sales taxes on motor vehicle purchases.

- Motor vehicle registration fees for most categories have not changed since 1984. Fees for some classes of heavy trucks and buses have not changed since 1969.
- As a reflection of the economy, the number of registered trucks and trailers in Missouri peaked in 2007 and has decreased since then.

Current State Revenue (per year):

- A \$10 increase in Passenger Car License Fees raises \$26.2 million for the State* and \$8.7 million for cities/counties.
- A \$10 increase in Truck and Bus License Fees raises \$11 million for the State* and \$3.7 million for cities/counties.
- A \$10 increase in Driver Licensing Fees raises \$5.2 million for the State* and \$1.7 million for cities/counties.

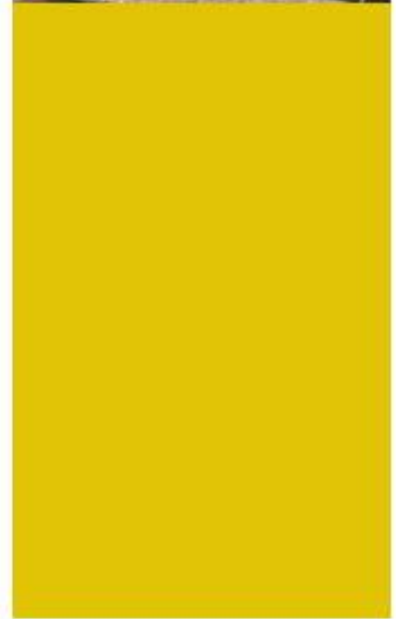
70 percent of every dollar MoDOT receives comes from fuel taxes, and only buys 65 percent of what it bought 20 years ago.

- In 1992, a ton of asphalt cost \$21.52. Today it costs \$59.31 – 176% increase.
- In 1992, a cubic yard of concrete cost \$51.30. Today it costs \$153.60 – 199% increase.
- In 1992, a pound of steel cost 85 cents. Today it costs \$1.75 – 106% increase.

Fuel taxes won't be a growing revenue source in the future, because:

- People are driving less. Vehicle Miles Traveled in Missouri peaked in 2004-07 and is declining.
- Vehicles are more fuel efficient. Federal Corporate Average Fuel Economy standards call for 40.1 mpg in 2021 and 49.6 mpg in 2025.
- Fuel tax collection is down – 2 percent this year and it's declined for four straight years.

* Revenues to the State go to MoDOT, the Missouri Highway Patrol and the Department of Revenue.



APPENDIX B

Highway Safety 2012 Status Report



Missouri's Report on Safety – 2012

Severe Crash Trends in Missouri

Fatalities

- 37.5% reduction from 2005 to 2011 (down 6 straight years from 1,257 to 786)
 - Over 471 fewer fatalities in 2011 compared to 2005 (2,009 lives saved since 2005)
 - In 2011, Missouri highway fatalities lowest since 1947
- Reached the 2012 fatality reduction goal of “850 or fewer fatalities by 2012” - two years early

Disabling Injuries

- 34.5% reduction from 2005 to 2011 (down 6 straight years from 8,624 to 5,643)
- Over 2,981 fewer disabling injuries in 2011 compared to 2005

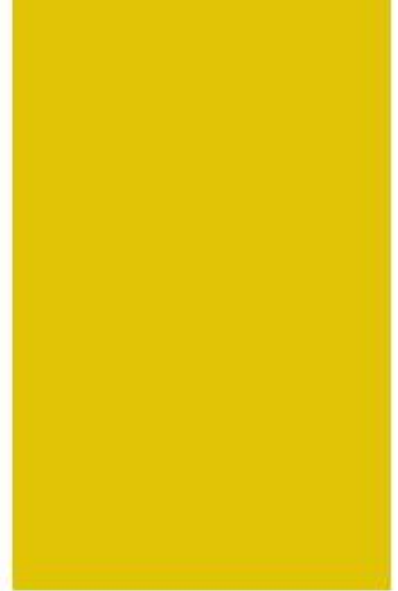
Successful Behavioral and Infrastructure Efforts in Missouri

Behavioral Initiatives

- Active Coalitions
 - Statewide Missouri Coalition for Roadway Safety and 7 Regional Coalitions
 - Provide weekly fatality reports and keep goal in front of safety partners
 - Focus on engineering, enforcement, education, EMS, technology and public policy
- Teen driving initiatives
 - Never Say Never & Zero Tolerance, Zero Chance public information campaigns
 - Team Spirit Youth Traffic Safety Leadership Training Conferences
 - Battle of the Belt Competition
- Unveiled Missouri's 3rd Strategic Highway Safety Plan, “Missouri's Blueprint to SAVE MORE LIVES” on October 25, 2012
 - Focus is reaching goal of 700 or fewer fatalities by 2016
 - Implement the Necessary Nine – key strategies to save more lives

Engineering Solutions

- Focus on severe crash types (this moves us away from just evaluating high crash locations)
 - Severe crash locations are random while severe crash types are predictable
- Major Roads safety initiative
 - Enhanced safety included in paving projects (wider stripes, rumbles, delineation, etc.)
 - 46% reduction in lane departure fatalities on Major Roads – 2005 to 2011
- System-wide safety solutions focus (includes improving roadway visibility)
 - Install median guard cable
 - Over 690 miles have been installed to date
 - 98% of vehicles hitting the guard cable do not reach opposing traffic flow
 - Require minimum 4-ft. paved shoulder on Major Roads
 - Over 9,600 line miles of Rumble Stripes (both edgeline and centerline where applicable)
 - Use 6 inch stripes for all major road edgeline and multilane skips (wet-reflective tape)
 - Install edgeline stripes on additional routes (400 AADT and above)
 - Curve speed plaques for every curve/turn sign, chevrons and fluorescent yellow sheeting
 - Emergency reference markers every 0.2 miles on interstates & select expressway corridors
 - Improved intersections (offset lefts, roundabouts & median u-turns / j-turns)
 - Install 2 ft. paved shoulder with rumble strip on select minor roads



APPENDIX C

Blue Ribbon Committee Projects

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

St. Joseph	Interchange improvements at I-29 & Hwy 169 & widen Rt. 169 from I-29 to Rt. AC
St. Joseph	Interchange improvements at I-35 & Hwy 36 in Cameron
St. Joseph	Improve pavements with shoulders & rumble stripes
St. Joseph	Interchange improvement at Rt. 36 & Rt. AC in St. Joseph
St. Joseph	Additional bike trails to be built along the hospital in Cameron - McElwaine Rd and Rt. 36 and Rt. 36 and Griffin Rd
St. Joseph	Separate the Burlington rail track from Hwy 59 with an overpass
St. Joseph	Increase Rt. 169 to four lanes between St. Joseph & Smithville
St. Joseph	Eliminate at-grade intersections on Rt. 36
St. Joseph	Rt. 36 interchange to support the planned Agri-Business Expo Center in Buchanan County
St. Joseph	Interchange off I-29 and Faron Rd. in St. Joseph
St. Joseph	Four-laning Rt. 71 from Maryville to Iowa
St. Joseph	Good accessibility to minor routes
St. Joseph	Any new additional transportation funding should be placed on roads and bridges - not transit, bike paths or walking trails
St. Joseph	Improvements for sidewalks and transit are needed in order to tie all modes of transportation together
St. Joseph	Passenger rail service between K.C. and Omaha, Nebraska
St. Joseph	Focus more resources on lettered routes
St. Joseph	Pavement improvements
St. Joseph	Shoulders on minor routes
St. Joseph	Increase investments in non-highway modes of transportation
St. Joseph	Expanding other forms of transportation such as high speed rail
St. Joseph	Improve bike and pedestrian facilities
St. Joseph	Improvements to Route 136 and I-35
St. Joseph	Corridor improvements to Route 65
St. Joseph	Corridor improvements to Highway 13
St. Joseph	Reduce congestion in St. Joseph
St. Joseph	Provide safety improvements in St. Joseph
St. Joseph	Increase economic development in St. Joseph

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

Hannibal	Replace Mississippi River bridge at Louisiana (Champ Clark)
Hannibal	Widening and interchange improvements on I-70
Hannibal	Hannibal Expressway improvements
Hannibal	Improvements from Winfield to Washington (narrow bridges, remove crossovers, shoulder improvements) on Rt. 47
Hannibal	Corridor improvements on Rt. 54 - Mexico to Louisiana
Hannibal	Corridor improvements on Rt. 61 (Cuivre River Bridges and remove crossovers)
Hannibal	Corridor improvements on Rt. 63 (Kirksville to Iowa state line)
Hannibal	Safety improvements (shoulders, rumble stripes, interchanges, intersections, guard cables)
Hannibal	Improve 188 bridges that are in poor condition
Hannibal	Major and minor road pavement improvements
Hannibal	Roadway alignments on minor routes
Hannibal	Expansion of multimodal needs
Hannibal	Improving 1-lane and narrow bridges
Hannibal	Provide additional signage entitled "C-KC" (Chicago-Kansas City Expressway) on Rt. 36
Hannibal	Hannibal Bypass
Hannibal	Remove 7 signalized intersections in Hannibal on Rt. 61
Hannibal	Extend Hannibal airport runway by 600 feet
Hannibal	Passenger Rail service between Hannibal and Quincy and Chicago
Hannibal	Safety improvements in Palmyra to reduce crossover accidents
Hannibal	Passenger Rail for the City of Clarksville
Hannibal	Adequate docking on Mississippi River in Clarksville
Hannibal	Improve 2 overpasses in Palmyra
Hannibal	Take advantage of the Mississippi River
Hannibal	Increasing bike and walking paths
Hannibal	Transit support/funding
Hannibal	Remove crossovers on Rt. 36

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

Lee's Summit	I-35, I-29 split to MO 69/33
Lee's Summit	I-435 improvements (i.e., Holmes Rd. to US 71)
Lee's Summit	I-70 improvements (i.e., Broadway interchange, MO 7 to Oak Grove)
Lee's Summit	MO 13 improvements (i.e., I-70 to Warrensburg loop)
Lee's Summit	MO 210 improvements, Eldon Rd. to MO 291
Lee's Summit	MO 291 Missouri River Bridge
Lee's Summit	Improvements to MO 45
Lee's Summit	US 50 improvements from California to Sedalia
Lee's Summit	US 65 improvements from north of Marshall to Chillicothe
Lee's Summit	US 69 Fairfax Bridge improvements
Lee's Summit	US 71 improvements, 155th St. to North Cass Parkway
Lee's Summit	Rail and transit improvements throughout the region on existing and abandoned railroads. Also across the entire state.
Lee's Summit	Maintain what we have invested with public funds
Lee's Summit	Safety upgrades - increase shoulders
Lee's Summit	Identify projects that will provide economic development for local and state governments
Lee's Summit	Public Private Partnerships be fully utilized for future I-70 improvements
Lee's Summit	Improvements to US 71 to meet interstate standards
Lee's Summit	Tolling I-70 by using public private partnerships with dedicated truck lanes
Lee's Summit	Make MO 7 in Blue Springs a 'livable street' to accommodate bicyclists, pedestrians and persons with disabilities. "Blue Streets"
Lee's Summit	Funding needs to be made available for airports, highways and bike and pedestrian trails
Lee's Summit	Upgrades to MO 150 on Missouri side like Kansas has done to attract growth, economic development
Lee's Summit	Remove stop lights along US 71 and instead build interchanges that meet interstate standards in order to bring the new I-49 closer to the downtown region
Lee's Summit	Invest in public transit
Lee's Summit	Lettered routes are important to maintain because people move to the rural areas to live. Example, MO 92
Lee's Summit	Request for a more fully integrated transportation system that will include bike and walk paths
Lee's Summit	Safety improvements on MO 13 around the Clinton area
Lee's Summit	Suggestion of a statewide livable street policy to co-mingle motor vehicles with pedestrians and bicyclists
Lee's Summit	Privatizing roads
Lee's Summit	Building light rail
Lee's Summit	Utilizing more railroads
Lee's Summit	Implementing the usage of tolls
Lee's Summit	Develop multimodal connectors for freight community
Lee's Summit	Take care of existing roads and bridges
Lee's Summit	Safety improvements (shoulders, rumble strips, intersection and interchange improvements)
Lee's Summit	Incorporate hands free wi-fi technology into transportation solutions

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

Columbia	Intersection improvements at I-70 and Hwy 63
Columbia	Intersection improvements at I-70 and Hwy 740
Columbia	US 50 four-laned across the state
Columbia	Bridge replacement - Crook Creek (Salem area)
Columbia	Bridge replacement - Gladden Valley (Salem area)
Columbia	Bridge replacement - Voss (Salem area)
Columbia	Pedestrian cross walks, pavement, median barriers and HAWK signals along College Ave in Columbia
Columbia	Improvements along Rt. 5 and 242 on the west side of the lake
Columbia	Improvements along Rt. 32
Columbia	Improvements along Rt. 64
Columbia	Improvements along Rt. 5
Columbia	Improvements along Rt. Z
Columbia	Improvements along Rt. 21
Columbia	Improvements along Rt. 53
Columbia	Improvements along Rt. 32
Columbia	Improvements along Rt. 67
Columbia	Improvements along Rt. 8
Columbia	Completion of construction of the remaining 6 miles of Rt. 21 to Desoto
Columbia	Interstate connector between JC and I-70
Columbia	Mass transit system between KC, St. Louis, Springfield and Columbia
Columbia	Improvements to Hwy 50
Columbia	Improvements to Hwy 63
Columbia	Shoulders are needed in rural areas
Columbia	Reduction in curves, shoulders and improvements on rural roads
Columbia	Farm-to-market roads need to be maintained
Columbia	Shoulder improvements
Columbia	Funding for sidewalks in Osage Beach
Columbia	Good infrastructure system in and out of the current Callaway plant
Columbia	Tourist Oriented Directed Sign Program (TODs) needs to be expanded
Columbia	Mass transit should be part of any bike/ped program
Columbia	Improvements at Rosemary Lane & Wilson Ave in Columbia
Columbia	Take care of existing roads
Columbia	Increase bike/pedestrian transportation investments
Columbia	Add capacity to I-70
Columbia	Add capacity to I-44
Columbia	Improve Rt. 740 from Rt. 63 to I-70
Columbia	Improvements to I-70 and Scott Blvd

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

Chesterfield	Improve shoulders on Rt. F
Chesterfield	Improve shoulders on Rt. N
Chesterfield	Improve the local rail line
Chesterfield	Improve the local shipping yard
Chesterfield	Port improvements
Chesterfield	Improve Merchants Rail Bridge
Chesterfield	Improve MacAurthur Rail Bridge
Chesterfield	Provide accessibility for disabled persons
Chesterfield	Improve rural route roads
Chesterfield	Improve MO 30
Chesterfield	Improve I-70 corridor
Chesterfield	Striping, shoulder and curve improvements on lettered routes
Chesterfield	Continue great streets, make downtown St. Louis more attractive
Chesterfield	Improve airports
Chesterfield	Replace Meramec River bridge
Chesterfield	Improve I-55
Chesterfield	Improve MO 30
Chesterfield	Improve MO 21
Chesterfield	Improve Route MM
Chesterfield	Improve Route W
Chesterfield	Improve I-270
Chesterfield	New walking trails and bike paths
Chesterfield	Invest in public transit
Chesterfield	Route 21 improvements from Route B to Route H
Chesterfield	Improve MO 110 and MO 21 intersection
Chesterfield	Dedicated bike trails
Chesterfield	Repair deficient bridges
Chesterfield	Improve pavement conditions

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

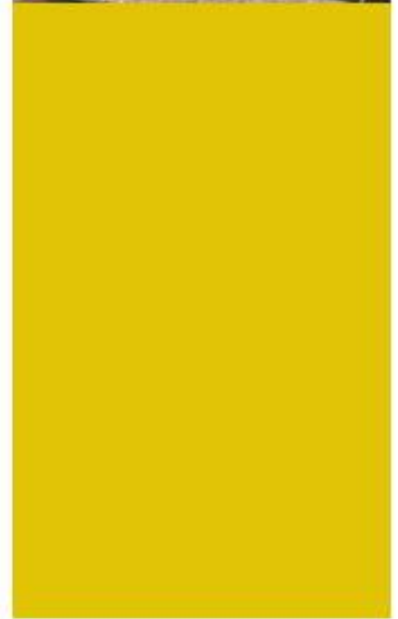
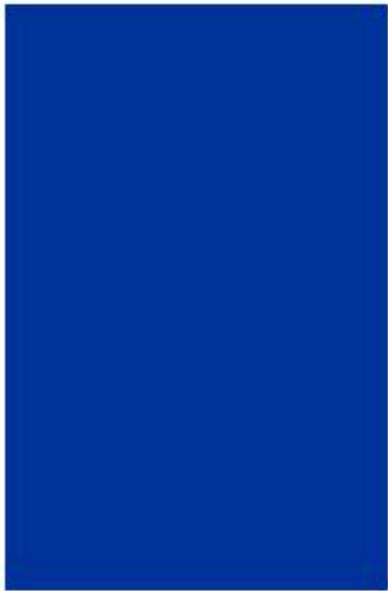
Springfield	Improvements on minor routes such as including shoulders & rumble strips
Springfield	Continued planned improvement on the Bella Vista bypass
Springfield	Hwy. 71 corridor improvements
Springfield	Interchange improvements along Rt. 86 and Business 71 to accommodate the construction of Mercy Hospital in Joplin
Springfield	Improve public transit locally and statewide
Springfield	Improvements needed along Route 60 and 37 between Monett and Arkansas
Springfield	Improvements along Rt. 171 and I-44 interchanges on west side of Joplin
Springfield	Concerns with limited access points along Hwy. 60 (too many crossover accidents in the area)
Springfield	Highland Springs and Rt. NN need improvements
Springfield	Build more limited access points along Hwy. 60 to Poplar Bluff
Springfield	Off system bridge (BRO) program is very important to Bates County
Springfield	I-49 and Rt. 13 are both important corridors that help the economy of Bates County
Springfield	Improve shoulders and add asphalt overlays along the minor routes in the county (especially for those areas where moving farming equipment is important)
Springfield	Build ramps on the overpass at I-49 and Rt. TT (City of Butler)
Springfield	Additional safety improvements such as guardrails, signage and roadway shoulders
Springfield	Hwy. 65 be tied into I-35.
Springfield	Transportation improvements need to be inclusive of agriculture industry needs
Springfield	Improvements to Rt. 13 such as four-laning to promote economic growth
Springfield	Improvements along Rt. HH to accommodate an elementary school, hospital community improvement district and a retail strip mall in Carthage
Springfield	Bridge improvements in the City of Carthage
Springfield	Provide a transportation system for the state
Springfield	Aviation system investments
Springfield	Hwy. 160 from the two-lane section of highway to the four-laning of the corridor needs shoulders. Also rumble stripes, mowing and signage would be an added benefit to the area.
Springfield	Future design policies include bike paths and walking trails as part of the overall transportation system
Springfield	Bicycle and pedestrian safety improvements such as brighter lights and signs
Springfield	There is a pressure point along Rt. 13 in Stone County where four-lanes of traffic merges on to a two-lane bridge.
Springfield	Off Rt. 465 there is a two-lane route at Silver Dollar City which is creating traffic backup
Springfield	Pedestrian and bicycle paths for Kimberling City
Springfield	Adequately sign along Rt. 13 and other lettered routes forewarning motorists about sharing the road with bicyclists
Springfield	I-44 extra capacity (Springfield Urban area)
Springfield	Improvements to Rt. 60 - Springfield to Rogersville Freeway
Springfield	Add capacity to Rt. 65 from Warsaw to Buffalo
Springfield	Add capacity to Rt. 13 from Clinton to Warrensburg
Springfield	Add capacity to Rt. 14 from Nixa to Ozark
Springfield	Add capacity to Rt. 160 from Willard to Springfield
Springfield	Improve Joplin West Corridor - Carl Junction to I-44
Springfield	Add capacity to Rt. 160 from Plainview to Nixa
Springfield	Add capacity to Rt. 76 from Branson West to Branson
Springfield	Add capacity to Rt. 171 from Kansas to Webb City
Springfield	Improve bridge conditions

Blue Ribbon Citizens Committee on Missouri's Transportation Needs

List of Needs from Regional Meetings

Meeting Location Project Description

Cape Girardeau	Add 6 lanes to I-55 in Cape Girardeau County
Cape Girardeau	Building an interchange along I-55 in Scott City
Cape Girardeau	Improvements along Rt. 25 in Jackson and Gardenville
Cape Girardeau	Improvements to US 51 on Chester Bridge in Perry County
Cape Girardeau	Improvements to the Theodosia Bridge in Ozark County
Cape Girardeau	Improvements on Hwy. 51
Cape Girardeau	A third highway through Cape Girardeau
Cape Girardeau	Larger rest areas for more truck parking
Cape Girardeau	Add additional capacity to I-70
Cape Girardeau	Make improvements to the I-44 and I-70 interchange in St. Louis
Cape Girardeau	More parking at truck scales for large commercial trucks
Cape Girardeau	No longer use guard cables which cause more damage to cars when they run off the road and it doesn't prevent large trucks from crossover accidents
Cape Girardeau	Improvements are needed to Rt. 60 for turn lanes into arena at the National Fox Trotters Association headquarters office
Cape Girardeau	Improve shoulders between Mansfield and Ava
Cape Girardeau	More signage is also needed to welcome folks to Ava by renaming Hwy. 5 the "Fox Trotters Highway"
Cape Girardeau	Improve lettered routes
Cape Girardeau	Keep and maintain roads in good condition
Cape Girardeau	Provide transit services to all citizens of the area
Cape Girardeau	Invest in port infrastructure
Cape Girardeau	Better signage and well striped roads are important for traveling safe



APPENDIX D

Missouri Public Transit Association Assessment Report

Planning for the future of transit

Missouri Public Transit Association



Transit

Some of us ride it.

All of us need it.

May 2012

Transit in Missouri

Public transit agencies across the state of Missouri are facing a crisis of funding. It is not the kind of crisis that has immediate dramatic repercussions. Rather it's the kind of crisis that results in chronic underinvestment in capital assets, continued erosion of service levels and an inability to invest in transit service and infrastructure improvements.

It's not that transit isn't needed in the state. Missouri has dozens of effective urban and rural transit systems that residents across the state rely on every day. Transit in Missouri just hasn't developed a progressive comprehensive funding program.

Public transit is a necessity for a large segment of the Missouri's workforce, elderly and lower-income residents, providing more than 78 million passenger trips each year.¹ Missouri's existing public transportation network consists of a range of transit systems, from light rail transit in St. Louis to rural paratransit services across the state. Missouri's larger cities typically offer better transit services in terms of hours, number of routes and service levels, in some cases offering transportation nearly 24-hours a day, seven days a week. Transit-dependent residents in smaller communities and rural areas must typically rely on limited scheduled trips (operations on specific days per week or month) or on-demand services that must be scheduled in advance.

Missouri Demographic Profile

Missouri's population grew by seven percent from 2000 to 2010 and projections show continued growth. By 2030 the state's population is expected to increase to 6.4 million compared to today's population of 5.9 million, an increase of 12.8 percent.²

The state's senior population (age 65 +) is expected to increase more rapidly from 13 percent of the population to 21 percent by 2030. This is an increase of 71 percent in this population group that has the greatest needs for public transit services.

Transit

Some of us ride it.

All of us need it.



In 2010, 73 percent of Missourians lived in urban areas with the remainder of the population split evenly between rural areas and metropolitan areas.³

Urban Transit Systems



St. Louis MetroLink



Kansas City Max BRT



Early morning
St. Joseph bus trip

Missouri has two large metropolitan areas, St. Louis and Kansas City, as well as Springfield, a metro area with a population over 200,000. The state also has four smaller urban areas: Columbia; Jefferson City; Joplin; and St. Joseph with populations between 50,000 and 200,000.

Metro Transit in *St. Louis* operates 60 bus routes on the Missouri side of the Metropolitan St. Louis Area and two MetroLink light rail lines. *Metro* also operates 17 bus routes in Illinois. Illinois service is funded by the St. Clair County, Illinois Transit District. Service is available from 4 a.m. to 1 a.m., seven days a week. *Metro Transit* also offers Call-A-Ride paratransit services for elderly and mobility limited persons.

The Kansas City Area Transportation Authority (KC ATA) operates 70 fixed bus routes, including two bus rapid transit (BRT) routes. Service hours are 4 a.m. to 1 a.m., seven days a week. In addition to Share-a-Fare, the KCATA's paratransit program, the KCATA also offers Metroflex, a demand-response bus service and a vanpool program.

City Utilities Transit in Springfield offers a total of 14 weekday and 4 evening fixed bus routes, operating from 6 a.m. to 11 p.m. most days, with reduced hours on Sundays and major holidays. *City Utilities Transit* offers paratransit through its Access Express program.

Columbia Transit includes 13 fixed bus routes, five of which focus on providing service to the campus of the University of Missouri. Running weekdays and Saturdays from 6 a.m. to early evening (extended evening service hours Thursday – Saturday); there is no bus service offered on Sundays. The City of Columbia also offers paratransit services.

Jefferson City offers residents nine fixed bus routes operated by Jefftran. Jefftran service operates weekdays from 6:45 a.m. to 5:30 p.m. The City also offers paratransit services via its Handi Wheels program.

Joplin offers the Sunshine Lamp Trolley which utilizes three one-hour loop routes that overlap and cover nearly the entire City

between 7 a.m. and 6 p.m. weekdays, 9 a.m. to 4 p.m. Saturdays. In addition MAPS (Metro Area Public Transit System), which provides on-call transportation and paratransit services, is provided for mobility limited residents.

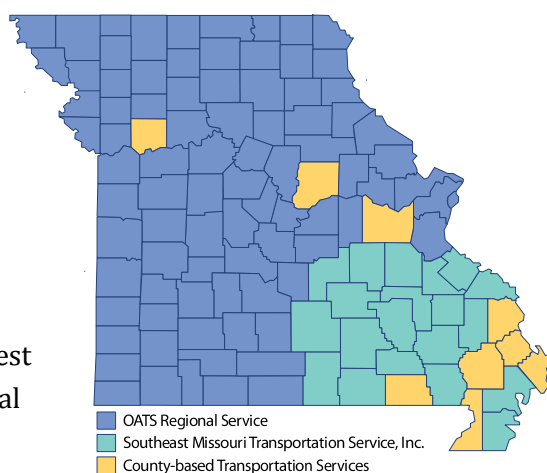
St. Joseph Transit, "The Ride," operates eight fixed bus routes, running Monday through Friday, 5:15 a.m. to 9:05 p.m. and Saturday, 7:15 a.m. to 7:05 p.m. In addition, limited service is now provided 24 hours per day through a Jobs Access program. The city also offers integrated ADA services via its route deviation service.

Transit in Rural Missouri

In Missouri's micropolitan areas³, public transportation is provided by a variety of systems. In addition to employment trips, in rural areas, transit serves other critical needs such as access to medical and nutritional services for children, the elderly and mobility limited. In rural Missouri, the average frequency for scheduled transit service in some areas is just two days per week and many rural communities only see a scheduled public transit vehicle twice per month.

OATS Inc. is a private, not-for-profit organization, serving 87 of Missouri's 114 counties. Founded in 1971, OATS is one of the largest rural transit providers in the nation. OATS operates seven regional systems in Missouri. Southeast Missouri Transportation Service (SMTS), another large rural transit provider, operates in 20 Missouri counties. Nineteen towns, cities and/or not-for-profit organizations offer local transportation systems, often in coordination with regional and/or private transportation providers. Transportation services offered vary from buses, taxi coupon programs, paratransit and/or intercity bus services. Public transportation in these areas are limited in days and hours of service.

Exhibit 2: Missouri's Rural Transit Service Providers



Transit Provided by Human Service Agencies

Transportation assistance is provided as part of ongoing human service programs offered by state and local agencies for clients based on financial or physical need. Assistance is offered in the form of cash reimbursements, contracts with public or private transportation providers (e.g. taxicab companies), or by agency- operated

transportation services, and often have the same limitations as other transportation modes based on population densities and distances traveled.

University/Campus Specific Transportation Services



MSU Campus Shuttle in Springfield

Two universities in Missouri provide campus transportation services: Southeast Missouri State University in Cape Girardeau and Missouri State University in Springfield. Shuttle bus services on these campuses transport students, faculty, staff and the general public around the university campuses.

Transit Funding

Transit typically is funded through a mix of federal, state, and local funding which augments revenues generated by the transit operation itself. Transit revenue is primarily composed of passenger fares. Capital investment is funded primarily by government revenue, although private funding is not uncommon in rural areas. Revenue for operations comes from passenger fares, together with state and local financial assistance. Passenger fares and other agency earnings account for 37 percent of operating costs nationwide.

Local and state government assistance combines for 56 percent of all funding. The federal role is more significant for the capital program, providing 42 percent of capital funds compared to only eight percent of operating funds. Exhibit 3 shows funding for U.S. transit systems for fiscal year 2009.

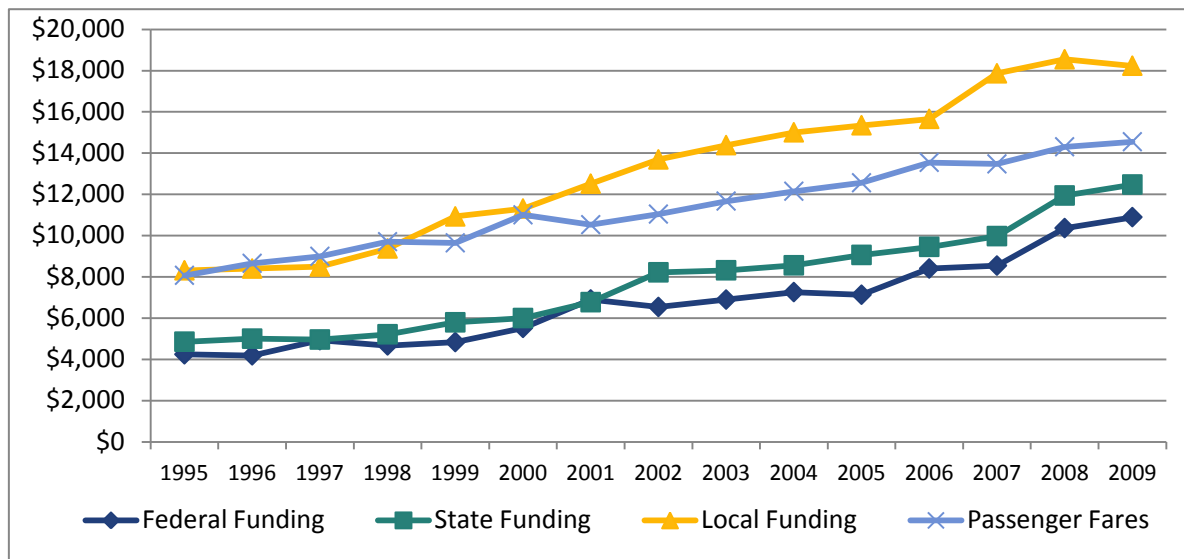
Exhibit 3 – Revenue Sources for U.S. Transit Systems – 2009

Type of Funding	Transit Agency Funds			Government Funds				Total Funds
	Passenger Fares	Other Earnings	Total	Local	State	Federal	Total	
Capital (\$ mil)	-	-	-	\$7,728.9	\$2,614.8	\$7,685.5	\$18,229.3	\$18,229.3
% of Capital	-	-	-	45.3%	14.3%	42.2%	100.0%	100.0%
Operating (\$ mil)	\$12,273.2	\$2,275.6	\$14,548.9	\$11,305.2	\$9857.1	\$3,206.7	\$24,369.0	\$38,917.8
% of Operating	13.5%	5.8%	37.4%	29.0%	25.3%	8.2%	62.6%	100.0%
Total (\$ mil)	\$12,273.2	\$2,275.6	\$14,548.8	\$19,034.1	\$12,471.9	\$10,892.3	\$42,598.3	\$57,147.1
% of Total	21.5%	4.0%	25.5%	21.8%	21.8%	19.1%	74.5%	100.0%

Source: 2011 Public Transportation Fact Book Appendix A: Historic Tables at www.apta.com.

Transit revenue from all sources has been growing. Exhibit 4 shows the growth in the four primary revenue sources since 1995.

Exhibit 4 – Growth in Primary Revenue Sources Since 1995 (in millions)



Source: 2011 Public Transportation Fact Book Appendix A: Historic Tables at www.apta.com.

Investment in transit around the nation from all levels of government has been consistent over the last 15 years.

Federal Funding for Transit

Federal funding has been an important part of the funding mix for transit since the 1970s, especially for capital projects like bus replacement and facility development. The Federal Transit Administration (FTA) is the agency responsible for administering the federal transit program. In 2010 the federal transit program included the distribution of well over \$10 billion.

Generally FTA funds are available to designated recipients that must be public bodies (i.e. states, cities, towns, regional governments, transit authorities, etc.) with the legal authority to receive and dispense federal funds. The recipients of these grants are responsible for managing their projects in accordance with federal requirements. FTA conducts oversight reviews to ensure that these requirements are met.

SAFETEA-LU, the U.S. Department of Transportation's transportation bill has been extended until October 2011.

Federal Transit Funding Programs

- Section 5307 Urbanized Area Formula Program
- Sections 5308 and 5309 Capital Investment Programs
- Section 5310 Elderly and Mobility-limited Program
- Section 5311 Non-Urbanized and Rural Program
- Rural Transportation Assistance Program
- Section 5316 Jobs Access and Reverse Commute Program (JARC)
- Section 5317 New Freedom Program
- Sections 5303 and 5304, Planning Funds
- Surface Transportation Program, which can be flexed to Transit

The authorization has been extended seven times since expiring in October 2009. Many transportation stakeholders expect a two-year extension of current legislation, or a new two-year bill that contains less funding for transit and few, if any, reforms

In September 2011, a United States House of Representatives proposal would have cut total transportation funding by one-third and drastically reduced transit support. The uncertainty regarding the federal role in transit only adds to the difficult financial environment faced by Missouri's transit systems.

State Funding for Transit

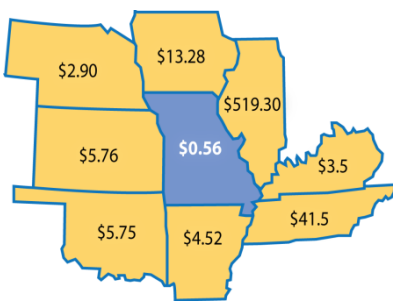
In 2008, states throughout the nation provided \$12.3 billion in transit funding, compared with federal funds totaling \$13.1 billion. The six states with the largest funding programs – California, New York, Massachusetts, Pennsylvania, New Jersey, and Maryland – collectively distributed \$9.5 billion in state funding, while the remaining 39 states distributed \$2.7 billion.⁴

The most utilized sources for transit funding were general funds (19 states), gas taxes (16 states), bond proceeds (12 states), registration/license/title fees (9 states), general sales taxes (8 states), motor vehicle/rental car sales taxes (8 states), and interest income (5 states). Twenty-seven states reported that they used other sources for funding such as state highway funds, trust funds, miscellaneous revenues, fees, or taxes, lottery funds, documentary stamps, and other types of assessments.

The Missouri Department of Transportation's Transit Section in the Multimodal Operations Division provides financial and technical assistance to public transit and specialized mobility providers across the state. This function is carried out through the administration of state and federal programs related to general public transportation as well as specific transit programs for agencies serving senior citizens and/or persons with disabilities. State funded transit operating assistance is provided to both rural and urban public transit agencies. This program funds mobility services in communities throughout the state.

The Missouri Elderly and Handicapped Transportation Assistance Program (MEHTAP) is a state funded program that helps defray a portion of the transportation costs incurred by agencies providing

Exhibit 5: State transit funding programs in millions of dollars



Source: National Transit Database 2009, and Missouri Department of Transportation.

mobility services to senior citizens and persons with disabilities. Half of the annual general revenue funding in this program is allocated to the ten Area Agency on Aging districts statewide.

Transit funding programs in many other states have surpassed Missouri's. For example, in 2008 Missouri provided \$6.9 million in transit funding assistance, ranking 28th among the 50 states. However, since 2008 Missouri has drastically reduced the program and in 2011 Missouri's transit funding was \$560,000 which drops Missouri to 45th in transit funding.

Missouri's transit funding program lags behind its border states, even though Missouri's population is greater than most, and Missouri is more urbanized with two major metropolitan areas.

A particularly disturbing trend is that state transit assistance in Missouri has actually been declining as shown in Exhibit 6. In 2000 total state funding was about \$8.4 million. Today it has declined to \$560,000 due to fiscal pressures on all parts of the state's budget.

Since 2008 Missouri has drastically reduced the program and in 2011 Missouri's transit funding was \$560,000 which drops Missouri to 45th in state transit funding.

Local Funding for Transit

Local funding for transit is derived from various sources, depending on the community. St. Louis and Kansas City have revenue sources dedicated to transit. More typically across the state, transit is funded from general revenue sources. Whatever the source, the current economic climate has resulted in a reduction of funding available for transit as is the case with virtually all municipal services throughout the state. Local transit funding in Kansas City and St. Louis accounts for 80 percent of the local funding in the state.

Kansas City has two sales taxes levied only in the city of Kansas City, Missouri. A ½ cent sales tax enacted in 1971 generates about \$30 million for the city to use for transit and other transportation programs. KCATA has been receiving about two-thirds of this revenue. In 2003, a ¾ cent sales tax generating \$21 million exclusively for transit was passed by Kansas City voters. This transit tax was renewed in 2008 for 15 years. Proceeds from the two

(narrative continued on page 9)

Exhibit 6 – History of Missouri State Transit Funding 1997 – 2011

Prior to 1997 transit funding in Missouri was limited to the MEHTAP Program. In 1997 state funding was provided for operating expenses to urban transit systems. The history of these general funds:

1997	\$7,743,906	Funding for urban transit systems only; allocated amounts roughly represented funds lost due to curtailment of FTA Sec. 5307 operating assistance program.
1998	\$8,135,660	Rural systems were added to the funding program and the rural portion was allocated based on the service area population.
1999	\$8,367,977	Slight funding increase.
2000 – 2002	\$8,367,997	Same funding as in 1999.
2003	\$3,765,589	Total funding reduced with a \$1.5 million legislated set-aside for rural and small urban transit. This effectively reduced St. Louis and Kansas City funding by 66 percent, but left a lesser across-the-board cut of about 10 percent for the remaining Missouri transit system.
2004 – 2006	\$3,765, 589	Same funding as in 2003.
2007	\$4,265,589	Increase of \$500,000 of which \$250,000 was legislated to rural systems and \$250,000 to Springfield.
2008	\$4,165,589	Decrease of funding by \$100,000 which represents a decrease of Springfield’s additional legislative funding from \$250,000 to \$150,000.
2009	\$4,015,589	Decrease of funding by \$150,000 which represents no “additional” funding and returns Springfield to their 2003-2006 amounts.
2010	\$3,288,942	Same total funding initially appropriated as in 2009 (\$4,015,589); however, the General Revenue (GR) and State Transportation Fund (STF) monies was changed. STF increased to \$814,838 and GR reduced to \$3,200,751. In addition to the customary annual three percent holdback of the GR, in July of 2009 an additional 10 percent holdback was ordered by the Governor. This lowered the GR amount of STF to \$2,784,653. Additionally, there was \$12,000,000 of ARRA Recovery Act state budget stabilization funds appropriated to Metro St. Louis, but only \$8 million was disbursed with \$4 million held back.
2011	\$560,876	Legislature appropriated at \$3,601,588 with an additional \$3 million GR appropriated for the Kansas City Area Transportation Authority. Of the \$3,601,588, the GR portion was reduced to \$3,040,713 and the STF portion reduced from the 2010 amount to \$560,875. Governor early in year “restricts” and withholds the entire GR portion, leaving just \$560,876 for allocation to transit providers. The allocation amounts were equally reduced by the same percentage as the total reduction of revenue funds.

Kansas City sales taxes represent over 90 percent of the local revenue available to the KCATA. For service operated outside the City of Kansas City, Missouri, KCATA contracts with municipalities for the required funding. Revenue from these purchase-of-service contracts is typically derived from general revenue sources.

St. Louis Metro relies on operating revenue generated by several sales taxes. The City of St. Louis appropriates 100 percent of a ½ cent transportation sales tax to Metro for operations. Metro also receives 50 percent of a St. Louis County ½-cent transportation sales tax. St. Louis City and County also began appropriating sales tax proceeds for capital expansion in 1994. These funds are devoted almost entirely to the construction and debt payment of major capital projects, like the recent Cross County MetroLink extension.

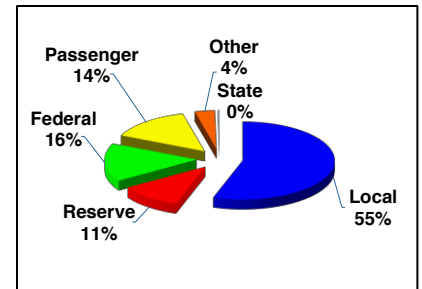
In April 2010 St. Louis County voters approved Proposition A, a half-cent sales tax, enabling St. Louis Metro to begin restoring transit services that were eliminated in 2009.

Proposition A's passage in St. Louis County also allowed Metro to begin collecting a one-quarter of 1 percent sales tax in the City of St. Louis that voters approved in 1997 but was provisional on a similar county tax. Metro estimates the revenue from the sales tax in the county at about \$74 million with about \$8 million from the City.

Metro operates service in Illinois through a contract with the St. Clair County Transit District, which is also supported in part by sales tax proceeds collected in St. Clair County.

In Missouri's other urban areas, the source of local funding for transit varies. In Springfield, local funding is from revenues generated by City Utilities, the public utility in Springfield. There is no dedicated revenue for transit, and CU revenues can only fund transit within the City of Springfield.

St. Joseph has a transportation sales tax that provides a dedicated revenue stream for the city's transit system. In 2008, voters increased the tax to $\frac{3}{8}$ resulting in a solid financial base to continue the existing service. However, the economic recession has severely eroded the sales tax generated and projections have now been revised to indicate that the current service level can be supported only through 2017.



2011 KCATA revenue sources

The current economic climate has resulted in a reduction of funding available for transit.

Local funding in rural areas is even more limited. Some counties provide no funding at all.

In Columbia and Jefferson City, general revenues are used to fund transit, thus transit needs compete with all other municipal services for limited general revenues.

Local funding in Missouri's rural areas is even more limited. Transit is funded by general revenue and a myriad of other sources which augment the state and federal funding programs. Local funding sources and amounts vary from county to county. Some counties provide no local funding at all.

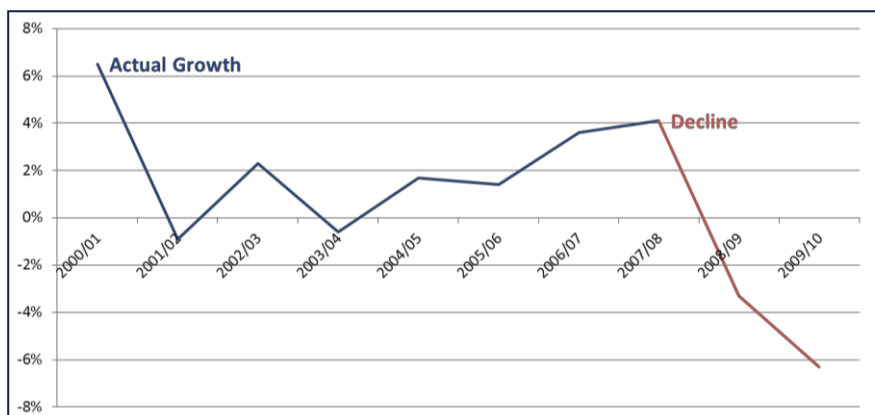
Trends in Missouri Transit Funding

The trends in local funding are not positive. In Kansas City, the recession and other factors have resulted in a decline in revenues from the sales taxes that support transit. Beginning in 2008, sales tax proceeds have been declining after years of not keeping up with inflation, as shown in Exhibit 7.

KCATA's financial condition was exacerbated by the reduction in state funding from a high of \$2.5 million in 2000 to less than \$120,000 in 2011.

In St. Louis the situation is much the same. Revenues from the sales tax in St. Louis County have not kept pace with the increasing cost of operating the transit system. Tax proceeds from the City of St. Louis have been stagnant since 1988.

Exhibit 7: Kansas City, Missouri Sales tax Growth



Source: KCATA

The story is similar throughout the state. Transit services in most areas have been reduced and the slower growth in the development of our state's public transportation infrastructure has put Missouri at a competitive disadvantage.

Transit Needs Statewide

Public transportation is an essential service for many Missourians. When surveyed, Missourians rated it the second most important mode behind highways and bridges.⁵ In part, this report is intended to assess the need for transit across Missouri, particularly *unmet needs* that can be used to estimate the required level of investment.

But there is no common definition of “unmet need” and no one source of information.⁶ Transit needs are different from community to community and planning for transit is very much a local undertaking and a local responsibility.

On one hand, transit is essential when it provides a means to access employment or critical medical care for state residents without other means of transportation. But it is also needed to help Missouri communities meet expectations for becoming more livable and transforming communities to become more vibrant and promoting economic development. MetroLink in St. Louis and MAX BRT in Kansas City are examples of this “city building” function and the economic development benefits of transit.

Perhaps current and future needs are best summarized by the Missouri Department of Transportation’s 2007 Missouri Long Range Transportation Plan (LRTP), which states, *“MoDOT’s Missouri Statewide Transportation Study identified significant unmet public transit mobility needs in both rural and urban areas of the state. On average, Missouri’s urban areas are approximately 50 percent underserved, while the rural areas of the state meet about one third of the demand.”*⁷

The 2007 Plan estimated \$200 million is needed annually for 20 years to increase transit services to meet the identified mobility gaps and fulfill Missourians expectations for efficient movement of people and goods, for enhancing economic development, for improving safety and for developing a multi-modal system of transportation. Since federal funding is capped by formula, it leaves increased state and local investments as the funding sources for Missouri’s transit services.⁸

Transit needs are different from community to community and planning for transit is very much a local undertaking

On average, Missouri’s urban areas are approximately 50 percent underserved, while the rural areas of the state meet about one third of the demand.

Defining Missouri's Public Transportation Needs

Using the analysis from the 2007 MoDOT LRTP as a basis, public transportation needs were assessed separately for large urban areas, small urban areas and rural areas. In all three classifications, needs were defined as preservation and expansion needs. Preservation needs are those necessary for continuation of the existing service levels. Expansion needs are those required to increase or expand service beyond current service levels.

Large Urban Area Needs

Large urban area needs address the public transportation needs of the Kansas City and St. Louis metropolitan areas. Both areas have identified significant public transportation needs as they try to maintain and expand current services and make essential capital improvements such as replacing vehicles.

St. Louis. Metro in cooperation with the East West Gateway Council of Governments completed a long range transit plan, “*Moving Transit Forward*.”⁹ This plan carefully identified transit needs as a basis for the successful 2010 referendum in St. Louis County for an additional quarter cent sales tax for transit. Moving Transit Forward’s foundation is the restoration of bus and light rail service discontinued in 2008 and 2009. The plan also includes an aggressive program for enhancing service throughout the metropolitan area.

Kansas City. KCATA and Mid-America Regional Council (MARC) collaborated on “*Outlook 2040*.”¹⁰ Adopted by the MARC Board in 2010, *Transportation Outlook 2040* is the region’s long-range transportation plan that guides how the Kansas City metropolitan region will manage its multimodal transportation system over the next 30 years. The plan’s goals include recommendation how the Kansas City area can grow more efficiently and improve access within the community for everyone.

The plan focuses on three overall areas of transit improvements for the area:

- Fixed-guideway and bus rapid transit projects;

Outlook 2040's goals include recommending how the Kansas City area can grow more efficiently and improve access within the community for everyone.

Moving Transit Forward includes an aggressive program for enhancing service throughout the St. Louis metropolitan area.

- Regional transit facilities such as transit centers and park-and-ride lots;
- Passenger rail and high-speed rail projects.

The emphasis is to provide needed access to opportunities throughout the region. The recommendations also focus on connecting activity centers to support the livable communities concept.

One challenge in Kansas City is that the City of Kansas City provides 90 percent of the funding for the local bus transit services. Yet the City is only 46 percent of the total population of the four Missouri counties in the metro area.

Springfield. The metropolitan area includes some of the most rapidly growing communities in the state. In 2007, the MPO, Ozarks Transportation Organization (OTO), and CU Transit developed a Transit Development Plan (TDP) that outlined needed transit improvements.

Currently, CU Transit is meeting only the basic needs of residents of the City of Springfield. Expansion of service to parts of the metropolitan area that do not have transit as a priority, establishing a regional transit system. CU and OTO have just started a comprehensive transit service analysis to identify the specifics required to achieve the goals of the TDP. This study is to evaluate new regional transit services as well as enhanced service within the City of Springfield.

The existing needs for public transportation include preserving the existing level of service and increasing the level of service.

Small Urban Area Needs

Small urban areas are defined as those with populations between 50,000 and 200,000. Missouri's small urban areas are St. Joseph, Columbia, Jefferson City and Joplin. The existing needs for public transportation include preserving the existing level of service and increasing the level of service. Public transportation agencies in small urban areas struggle to maintain service levels and usually do not provide service to their entire urban areas. Weekend and evening service is limited, thus mobility for transit dependent residents is dramatically reduced.

St. Joseph - St. Joseph Transit prepared a Transit Development Plan in 2011. The transit agency is looking for ways to increase efficiency, provide better customer service and cut costs.

Transit agencies in small urban areas struggle to maintain service levels and usually do not provide service to their entire urban area

Columbia - Columbia Transit is the provider of transit services in this metropolitan area which includes the state's largest higher education institution, the University of Missouri. The transit agency operates seven routes, two commuter routes and an ADA paratransit service.

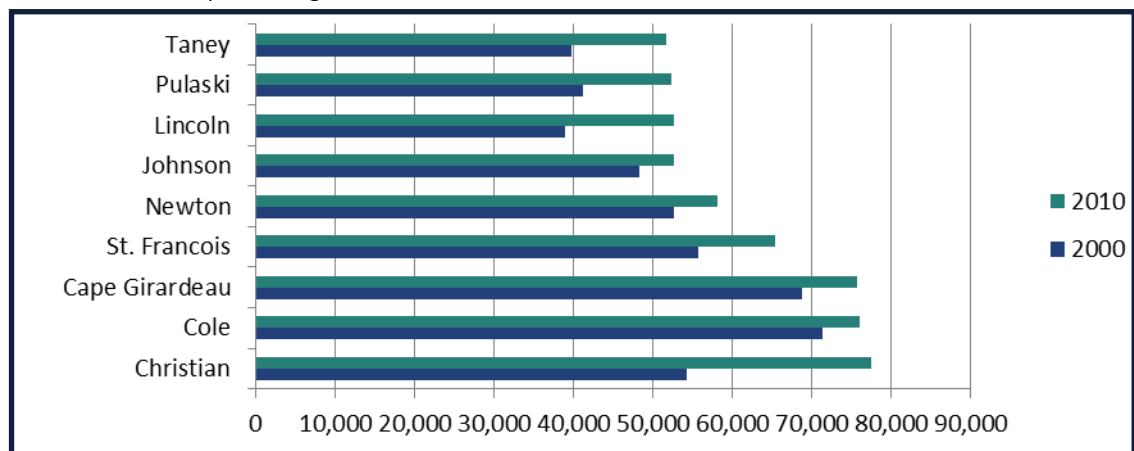
Jefferson City - The Capital Area Metropolitan Planning Organization (CAMPO) is responsible for the long range transportation plan for the MPO. JEFFTRAN is the transit agency for the City of Jefferson. The adopted 2030 plan discusses improving safety and to increase the accessibility and mobility options within the community.

Joplin - The Joplin Area Transportation Study Organization (JATSO) adopted the long range transportation plan in 2010. Fixed route transit service in Joplin is relatively new and serves only the city of Joplin. It is believed that the service can be doubled to meet the current demand.

Rural Area Transit Needs

By 2015, more than 15.5 million Americans 65 and older will live in communities where public transportation service is poor or non-existent. That number is expected to continue to grow rapidly as the baby boom generation "ages in place" in exurbs and rural areas with few mobility options for those who do not drive. Exhibit 8 illustrates population growth in rural Missouri counties with 2010 population greater than 50,000.

Exhibit 8: Population growth in Missouri counties



Source: U.S. Census 2010

Access to public transportation is limited in rural areas. Because there are fewer mobility options for residents without access to automobiles, rural public transportation needs are growing. Few rural systems offer service to employment, schools, volunteer activities or community events. Better access to medical and nutritional services is especially important to certain segments of the population like the elderly and persons with disabilities.

MoDOT reviewed the tremendous needs in this area and realized they could not be met in the next 20 years. MoDOT believes approximately 90 percent of the projected needs must be met to adequately serve the needs of Missourians. That equates to nearly \$400 million per year for the next 20 years.

Summarizing Missouri's Transit Needs

The need for improved and increased transit statewide is great. In order to summarize these needs, and the cost to address them, a program was defined that could reasonably be accomplished within a ten year period. This program is based on the information presented in the preceding sections and would have a substantial positive benefit to the state although not all needs would be met. The program would:

- Allow the three large urban areas to progress towards completing the transit plans that have been developed in each community;
- Allow the four small urban areas to improve service to a level commensurate with their peer group, ranging from a 20 percent increase in service in St. Joseph to a near doubling of service in Joplin;
- Allow the state's rural communities to meet at least the minimal needs of rural residents.

It is estimated that an average of \$250 million per year over the next ten years is required to fund this program.

Exhibit 9: Public Transit Investment Needs – 10-Year Annual Average	
Required Investment (Millions)	
Large Urban Systems (3)	\$170
Small Urban Systems (4)	\$10
Rural Areas (all systems)	\$70
Statewide Total	\$250

An Action Plan for Missouri Transit



Any new statewide funding program for transit requires a plan to ensure funds are spent in a manner that is reflective of the program goals. MoDOT, as the state agency charged with oversight of the Missouri's transportation system will have a role in the program's implementation and use of funds. The Missouri Highways and Transportation Commission is a six-member bipartisan board that governs the Missouri Department of Transportation. Commission members are appointed for a six-year term by the governor and are confirmed by the Missouri Senate.

The goals of the Commission are:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

The Commission and MoDOT roles will vary by the type of area, as their roles vary today.

The policy infrastructure for transit throughout the state varies by the type of area, urban and rural.



The large urban areas and the Metro in St. Louis and KCATA in Kansas City have well developed plans and processes for implementation. The process is a cooperative process between the transit agency and the Metropolitan Planning Organization (MPO), and local cities and counties are active in the process. *Moving Forward* and *Outlook 2040* are the current plans for St. Louis and Kansas City respectively. These are consensus plans that can and will be carried out with adequate funding. City Utilities Transit and the Ozarks Transportation Organization (OTO) are partners in the Springfield metro area. The transit agencies have lead roles in their implementation, but the MPO's, East West Gateway Council of Governments in St. Louis and the MARC in Kansas City, have

important roles. MoDOT and the cities and counties are also important partners in the development of plans and their implementation. The structure in these large urban areas is adequate for ensuring a new state transit funding program is properly implemented.

In St. Joseph, Jefferson City, Columbia and Joplin the process is similar, although the MPO's role in transit is generally not as significant as in the large urban areas. The state, through MoDOT, has a defined role in these smaller urban areas in accordance with FTA and FHWA regulations. For all MPO's (large and small) the MoDOT Transportation Planning Division provides USDOT (FHWA and FTA) transportation planning funds that support the creation of these transit plans.

In rural areas the process for planning and implementation is not as well defined, and the process varies from county to county. In some areas the county has taken the lead on planning and delivering rural transit service, in other areas Regional Planning Councils (RPC) have taken a role in transportation matters. There are 17 RPCs in Missouri that are engaged in various activities, including, economic and community development, transportation planning, the environment and other quality-of-life issues. Like the MPOs in urban areas, it may be that RPCs can have a role in providing greater structure for transit in rural areas. Although there are FHWA funds that MoDOT can pass through to RPCs for rural transportation planning, there is no similar FTA program for transit planning funds to flow to rural planning agencies. MoDOT's Multimodal Operations Division nevertheless did provide state funds to the 17 Missouri RPC's to undertake the SAFETEA-LU required public transit - human service transportation coordination plans. These coordination plans, required for the receipt of rural FTA funds, should be the fundamental plan document for transit in rural areas.

The state, through MoDOT's Transit Section in the Multimodal Operations unit, has developed a significant role in rural transit to include administration of funding programs, and technical assistance. The state role should be continued and even strengthened with increases in the state transit funding program. Several good models exist in other states for structuring rural transit. Iowa, for example, has divided the state into 15 regions and has designated one agency to be responsible for coordinating rural

The state role should be continued and even strengthened with increases in the state transit funding program

transit. The regions work very closely with Iowa Department of Transportation in coordination, funding and oversight.

Whatever process is used in rural areas MoDOT and the RPCs should have a lead role in the development of the structure including how state transit funding is used and the policies and procedures that support the structure.

A fundamental tenet of the federal transit program, and most state funding programs, is the concept of matching funds. Most federal funding programs require a local funding match. The percentage varies by funding category with capital programs requiring as little as 20 percent of the total project cost. It is envisioned that the new state funding program will require a match. A local match requirement encourages local funding investment and also fosters more accountable local decision making.

The details of the level of local match required will be determined as part of the development of the final program. It is appropriate that the match requirement in rural areas be less than in urban areas. Rural areas are less likely to have as much local funding available for transit support; the state's role in funding transit in rural areas should be larger than for urban areas.

MoDOT and the RPCs should have a lead role in the development of the structure including how state transit funding is used and the policies and procedures that support the structure.

The Case for Investment in Transit

The primary goal of any transit system investment is improved mobility. In addition, many other benefits are realized through transit investment. Every dollar spent on public transportation generates four dollars in direct return on investment in economic activity.¹¹ Potential community and quality of life benefits include:

- Increases in economic growth;
- Decreases in unemployment;
- Helps people remain independent;
- Environmental quality; and
- Energy efficiency.

Every \$1 spent on public transportation generates \$4 in direct return on investment in economic activity.

In addition, now is the opportune time to invest in transit. The current economy has lowered the cost of capital investment in infrastructure and equipment needed to expand transit service. In addition, there is increasing desire on the part of the public to improve transportation services in cities across the United States¹². In many communities, there is manifest opportunity for new investments, created by a historic lack of funding and the resulting aging public transportation infrastructure.

People Depend on Public Transportation

Public transportation provides a critical lifeline for commuters, families, students, senior citizens, and those who by situation or choice do not have access to a private vehicle. It also offers those with access to private vehicles an alternative means to reach their destinations. The number of Americans who took a bus to their first job defies counting. Public transit will continue to provide this key link to entry to the labor market in the future. Individuals who do not utilize public transit themselves still benefit as transit helps others gain access to places of work, education, healthcare, shopping, and recreation. In addition, residents in many locations do not have easy access to hospitals and doctors. Public transit is crucial for transit-dependent individuals, including the elderly, mobility challenged and families who depend on transit to reach their health care providers. The absence of public transit places them at serious risk for illness as they defer or skip treatments, checkups and preventive care. Transit provides a critical link to health care and has a major impact on a community's quality of life.¹³



Public transit helps ensure a higher quality of life for many in the community.

Transit Encourages Economic Growth

Many employers in both the industrial and service industries also benefit from improved transit services. Businesses located next to public transit have more reliable employees and better access to diverse labor pools.¹⁴ Especially in urban areas, reliable public transit also reduces parking costs for employees and customers, a major consideration in some household budgets. Costs to employers can also be reduced in terms of both paid parking and the costs of building and maintaining parking structures.

The 12 year design and construction period of FasTracks in Denver, CO, will create an average of 2,413 construction jobs and an additional 3,799 indirect and induced jobs, creating 6,213 jobs annually.

Each year, an individual can achieve an average savings of more than \$9,000 by taking public transportation and living with one less car.

Studies in Dallas, St. Louis, Chicago, Sacramento, and San Diego all point to a roughly 25 percent increase in property values in locations close to recently implemented transit systems.¹⁵ This type of economic growth could be a major benefit to many of the locations in Missouri that have experienced depressed property values

Transit Fosters Increases in Employment

Public investment in public transportation increases economic growth across many sectors of the economy. For example, in Denver design fees alone will create another \$1.7 billion in wages and salaries for engineers and planners. The Denver, Colorado FasTracks design and construction program will result in \$2.9 billion into the Denver economy.¹⁶ All this economic impact will be provided for an average tax increase of only \$34 per year per resident.

Many of the jobs supporting the construction, maintenance, and operations of public transportation are middle income jobs. Therefore investing in transit increases the overall health of the community and nation as a whole.¹⁷

Transit Improves Environmental Quality

Transit is Green. The environmental benefits of investment in public transportation include reducing congestion on the roadways and decreasing vehicle miles travelled in single passenger cars. By increasing the ability for people to choose transit rather than the automobile for travel, pollution emitted into the environment is lessened.¹⁸

Transit Promotes Energy Efficiency

Increasing investment in public transportation reduces the dependence on personal automobiles which in turn reduces the amount of gasoline used. This also has the added benefit of decreasing America's dependence on foreign oil.¹⁹

Each year, an individual can achieve an average savings of more than \$9,000 by taking public transportation and living with one less car.²⁰

What Now for Missouri?

The most beneficial action that Missouri could take to increase return on investment for existing public transit would be to significantly increase state funding for transit. This would allow communities to invest in additional routes, frequency, facilities and equipment. These investments would help ensure the reliability and frequency of transit required to build ridership and to generate new economic activity and improve the quality of life in communities across the state.

Tools that increase the return on investment include partnering with other agencies and the private sector while investments in public transportation occur. For example, in Denver, the Regional Transit District has worked closely with developers and the cities within its service area to plan not only the transit stops, but also future development opportunities near transit stops. Missouri could use similar partnering deals with the private sector in mutually beneficial circumstances, increasing employment, investments, and ultimately the state's tax base.

Missouri could also increase the return on investment by targeting funding more effectively to where the state sees the biggest benefit for the smallest cost, and tying the investments to requirements for local jurisdictions to include matches and partnering agreements with the private sector.

A Transit Funding Program for Missouri

While the need for such a program is clear, many of the details of a new state funding program must be worked out. However, the basics are straightforward:

- The program should benefit transit in urban and rural areas throughout the state.
- Funding should be for operations as well as capital projects.
- Only improvements supported by the local community's planning process would be eligible.
- The program should require local investment in transit.
- The state through the Missouri Highways and Transportation Commission and MoDOT should have a central administrative and oversight role.

While the need for such a program is clear, many of the details of a new state funding program must be worked out. However, the basics are straightforward.

- Existing state and federal transit-related guidelines and regulations are sufficient to provide the program's administrative structure.

**State Transit Revenue
Source
(number of state's using)**

General Fund (19)

Fuel Tax (16)

Bond Proceeds (12)

Vehicle Registration/License
Fees (9)

Motor Vehicle Sales Tax (8)

Interest Income (5)

Lottery (3)

Rental Car Tax (2)

Casino Tax(2)

No work has been done on the source of the revenue for the program. A statewide sales tax is frequently cited as a potential source for a new transportation program in Missouri.

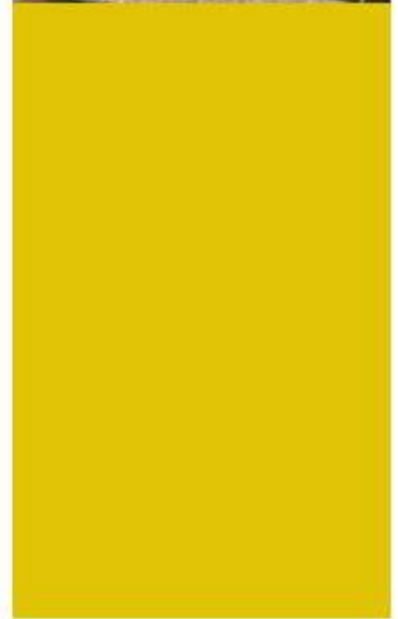
A wide variety of revenue sources are used by other states to fund their transit programs. All of these are likely to require voter approval. One important criterion is that the transit program not rely on general revenue. A dedicated revenue source is required to ensure that the funding is not subject to the uncertainties that are inherent with any program that requires legislative approval every year. Stability and predictability are required to allow communities and transit agencies to plan effectively and implement needed transit improvements.

A one cent sales tax would generate about \$700 million to \$750 million per year. Thus, a 3/8-cent tax would generate sufficient revenue to fund all of the needs identified in Exhibit 10.

However, it may not practical to fund all of the needs that have been identified. Moreover, the program would be designed to generate additional local support. A significant state funding program would provide the benefits documented in this report and would serve as a catalyst for increased local funding and private participation in transit programs.

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- ⁹ *Moving Transit Forward – St. Louis Regional Long-Range Transit Plan*, St. Louis Metro, 2010.
- ¹⁰ *Transportation Outlook 2040*, Mid-America Regional Council, June 2010..
- ¹¹ U.S. Department of the Treasury. *An Economic Analysis of Infrastructure Investment*. October 2010.
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- ¹³ Transportation for America. *Aging in Place, Stuck Without Options: Fixing the Mobility Crisis Threatening the Baby Boom Generation*. 2011.
- ¹⁴ U.S. States in Profile, 2009 population, www.statsindiana.edu/sip/
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- ¹⁶ The Adams Group, Inc. *The Impact of FasTracks on the Metro Denver Economy*. September 2004.
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- ¹⁸ American Public Transportation Association. *Public Transportation: Moving America Forward*. 2010. P. 5.
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- ²⁰ U.S. States in Profile, 2009 population, www.statsindiana.edu/sip/



APPENDIX E

District Engineer Needs Synopsis

Synopsis by Each District Engineer

St. Louis District (May 14, 2012)

Additional funding is needed for:

- Bridge improvements - \$90 million to \$110 million
- Pavement improvements - \$120 million to \$150 million
- Major and minor corridor, ports and safety improvements also require additional funding

Northwest District (May 21, 2012)

Additional funding is needed for:

- Interchange improvements - \$40 million to \$65 million
- Pavement improvements with shoulders and rumble stripes - \$30 million to \$35 million
- Corridor, ports and safety improvements also require additional funding

Southwest District (June 1, 2012)

Additional funding is needed for:

- Corridor improvements for improving congestion and growth - \$525 million to \$775 million, in total
- Bridge improvements - \$8 million a year
- Major route improvements - \$12 million a year
- Minor route improvements - \$10 million a year
- Safety needs (including rumble stripes and shoulders) - \$10 million a year

Southeast District (June 29, 2012)

Additional funding is needed for:

- Pavement rehabilitation for major routes - \$10 million a year for 10 years
- Pavement rehabilitation for minor routes - \$8 million a year for 10 years
- Bridge repairs and upgrade - \$6.8 million a year for 10 years
- Safety needs (shoulders, rumble stripes, guard cables) - \$13 million a year for 10 years

Central District (July 9, 2012)

Additional funding is needed for:

- Bridge improvements - \$5 million a year
- Major route improvements – \$12 million a year
- Minor route improvements - \$7 million a year
- Safety needs (shoulders, rumble stripes, guard cables) - \$10 million a year

Northeast District (July 23, 2012)

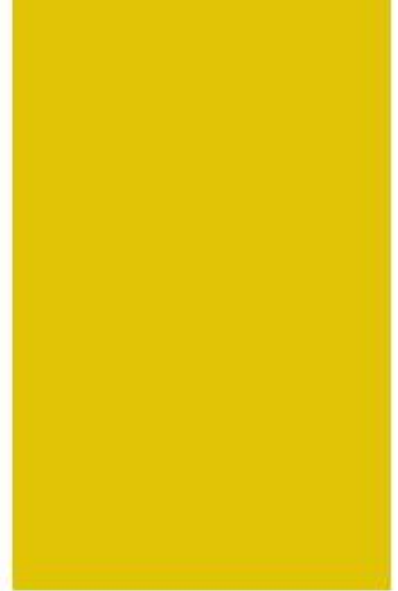
Additional funding is needed for:

- Major projects - \$320 million to \$410 million for 10 years
- Bridge improvements - \$200 million for 10 years
- Pavement improvements for major and minor routes - \$250 million for 10 years
- Safety needs (shoulders, rumble stripes, guard cables) - \$100 million for 10 years

Kansas City District (August 6, 2012)

Additional funding is needed for:

- Major corridor and regional needs – a one-time \$1.7 billion is needed
- Road and bridge maintenance - \$113 million a year is needed, however, an additional \$84 million is spent
- Safety needs (shoulders, rumble stripes, guard cables) - \$16 million a year



APPENDIX F

History of State Fuel Taxes

Funding History

2008

In July, the start of fiscal year 2009, Amendment 3 is fully phased-in, providing MoDOT with all of the motor vehicle sales tax revenues previously going to General Revenue.

MoDOT sold bonds for a portion of the new Interstate 64, a design-build project in the St. Louis region. For the first time, MoDOT secured bonds primarily with federal funds, rather than state funds. These bonds are called Grant Anticipation Revenue Vehicle (GARVEE) bonds.

2004

In November, Missouri voters approved Constitutional Amendment 3, which requires all revenues collected from the sale of motor vehicles come to MoDOT. Previously, half of the sales tax went to MoDOT and half to the state's general revenue fund. It requires the Missouri Highways and Transportation Commission to issue bonds for building highway and bridge projects and uses these additional revenues to pay back the bonds over a period of time. The additional Amendment 3 revenues are to be phased-in over a 4 year period in 25 percent increments.

2002

Legislation is passed extending the 6-cents-per-gallon motor-fuel tax, which was due to expire in 2008. Proposition B, an omnibus transportation bill that would have increased the motor-fuel tax by 4 cents per gallon and the general sales tax by 1/2 percent, is defeated by voters by a 3-to-1 margin.

2000

Legislation was passed, effective May 30, 2000, allowing MoDOT to issue \$2.25 billion in bond financing to accelerate highway improvements. Up to \$250 million in bonds can be issued in 2000 and up to \$2 billion from 2001 through 2006. Projects funded by the first \$250 million were required to come from MoDOT's 5-Year Statewide Transportation Improvement Program. MoDOT can issue up to \$500 million per year in bond financing through the year 2006. MoDOT submits a bond financing project list to the Legislature each January for approval.

1992

A 6-cent per gallon increase in the motor fuel tax is passed by the Legislature. The 6 cents is to be phased in over a 5-year period; 2 cents in 1992, 2 cents in 1994 and 2 cents in 1996.

1987

Proposition A, a constitutional amendment to increase the motor fuel tax by 4 cents per gallon, is approved by the people. It becomes effective June 1.

1984

Fees for motor vehicles and truck classes not raised in 1983 are increased.

1983

Fees for some classes of trucks are increased.

1982

Proposition B, a constitutional amendment to raise the motor fuel tax by 4 cents per gallon, is defeated by the people.

1979

Voters approve a constitutional amendment changing the CART distribution formula. Counties receive 10 instead of 5 percent, cities receive the same 15 percent and the state receives 75 instead of 80 percent. The law is effective Jan. 1, 1980. The amendment also merges the Highway Department with the Transportation Department. Also included in this legislation is a provision that one-half of the motor vehicle sales tax go to finance road and bridge construction. Of this half, 74 percent would go to the state, 15 percent to the cities and 10 percent to the counties. The remaining 1 percent goes for planning of other transportation modes.

1978

An initiative petition to increase the fuel tax 3 cents per gallon is defeated.

1972

The Legislature passes a bill increasing the gas tax from 5 cents to 7 cents per gallon.

1961

The Legislature passes a bill temporarily raising the fuel tax from 3 cents to 5 cents per gallon. The bill provides that a constitutional amendment be put before the people which would allow cities and counties to share in state motor fuel tax revenues. If the amendment is not submitted within six months, or if it is rejected, the tax would revert to 3 cents. Voters approve the amendment on March 6, 1962, and the 5-cent per gallon tax becomes permanent. This act establishes the County Aid Road Trust program.

1952

On March 24, an act is approved increasing the motor vehicle tax from 2 cents to 3 cents per gallon. The law becomes effective July 29.

1950

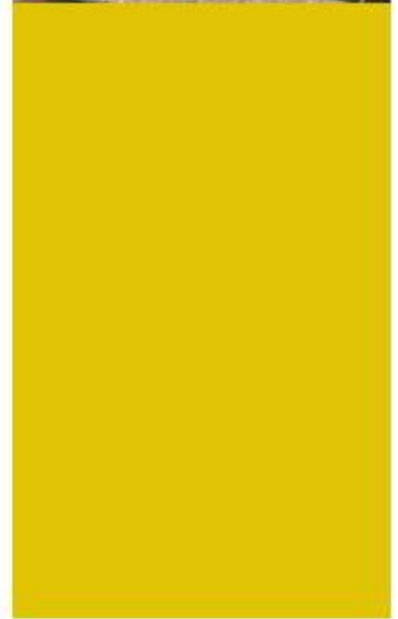
On April 4, Missourians again reject a referendum proposal to increase the motor vehicle tax. The proposal would have increased the tax from 2 cents to 4 cents per gallon.

1938

On Nov. 8, the people defeat by referendum election an attempt of the Legislature to raise the fuel tax from 2 cents to 3 cents per gallon. At the same time, an initiative petition proposal to amend the Constitution to fix the fuel tax at 3 cents for 10 years is also defeated.

1924

A 2-cent tax rate for motor vehicle fuel is adopted by a vote of the people under initiative petition. It is the state's first motor fuel tax.



APPENDIX G

2011 MoDOT Financial Snapshot

Financial *Snapshot*

September 2011



Missouri Department of Transportation

Financial

Snapshot

September 2011

About the Financial Snapshot

The Financial Snapshot provides answers to frequently asked questions regarding MoDOT's finances. This document provides information for fiscal year 2011.

If you have any questions concerning this report, please contact MoDOT's Financial Services Division at (573) 526-2575.

MoDOT's Mission

Our mission is to provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri.



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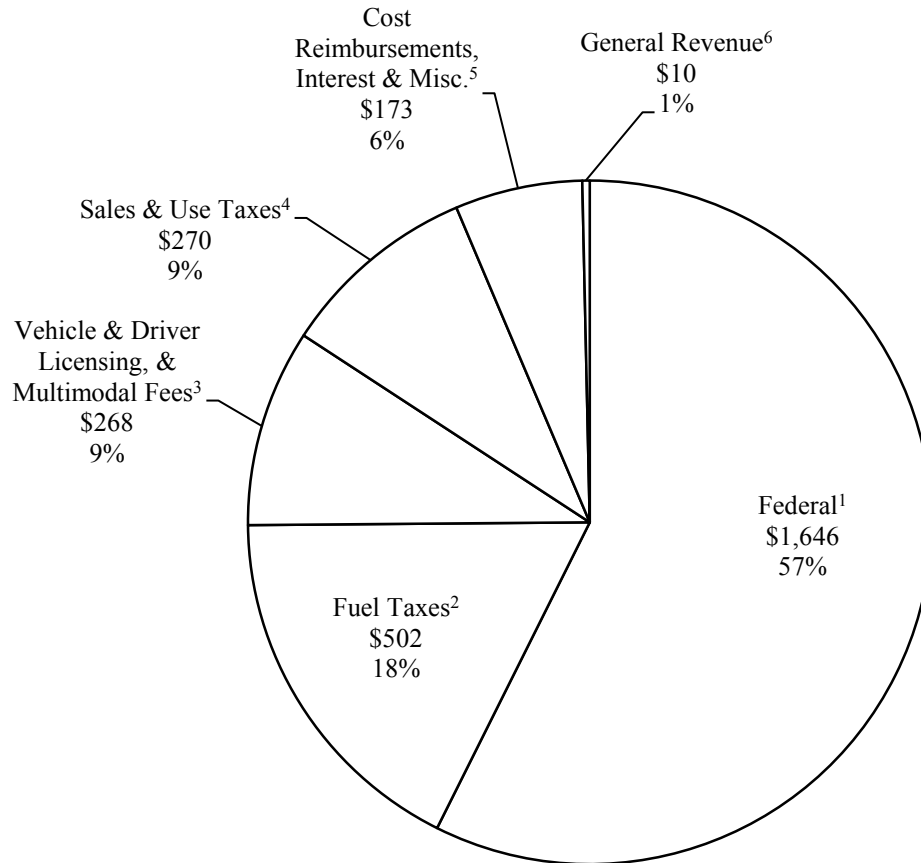
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Transportation Funding

Breakdown of \$2.9 Billion Fiscal Year 2011 Revenues (Dollars in millions)



Notes:

¹ Federal includes revenue received from reimbursements for highway construction, the American Recovery and Reinvestment Act (ARRA) and multimodal projects as well as highway safety grants.

² Fuel taxes represent MoDOT's share of revenue received from the state's 17-cent per gallon fuel tax on gasoline, gasohol and diesel fuels and 9-cent per gallon tax on aviation fuel.

³ Vehicle and driver licensing, and multimodal fees include MoDOT's share of revenue received from licensing motor vehicles and drivers and fees for railroad regulation.

⁴ Sales and use taxes represent MoDOT's share of revenue received from the state's 4.225 percent tax rate on motor vehicle purchases and leases, and on aviation fuel.

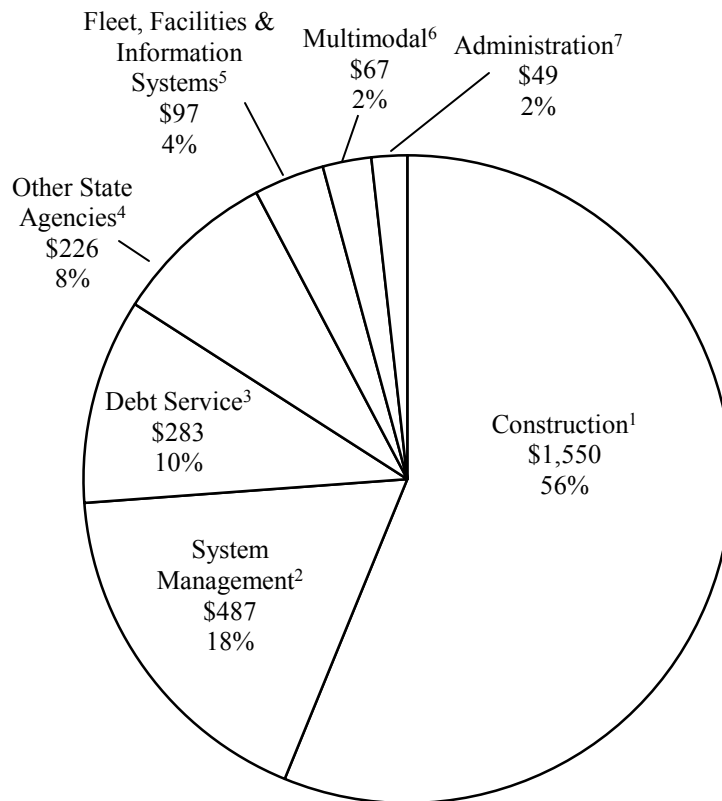
⁵ Cost reimbursements, interest and miscellaneous revenue include interest earned on invested funds, sale of surplus property and excess right of way, and construction cost reimbursements from local and other state governments.

⁶ General Revenue was appropriated by the Missouri General Assembly for multimodal programs.

Source: MoDOT.

Transportation Funding

Breakdown of \$2.8 Billion Fiscal Year 2011 Expenditures (Dollars in millions)



Notes:

¹ Construction includes contractor payments to construct and design roads and bridges, as well as personal services, fringe benefits and expense and equipment for MoDOT employees engaged in construction activities.

² System Management includes the cost of personal services, fringe benefits, expense and equipment, and programs required to maintain highways and bridges, Motor Carrier Services and Highway Safety.

³ Debt service includes the principal and interest repayments for bonds issued by the Missouri Highways and Transportation Commission (MHTC).

⁴ Other state agencies include appropriated expenditures to the Missouri State Highway Patrol and the Missouri Department of Revenue.

⁵ Fleet, Facilities, & Information Systems includes the cost of personal services, fringe benefits, expense and equipment required to maintain MoDOT's fleet, buildings, and information technology systems.

⁶ Multimodal includes personal services, fringe benefits, expense and equipment, and programs required to support alternative transportation modes, such as air, waterways, transit, rail and freight.

⁷ Administration includes the cost of personal services, fringe benefits, and expense and equipment for business units supporting the operations of MoDOT.

Source: MoDOT.

Transportation Funding

Revenue for Roads and Bridges, Multimodal, Highway Safety (Dollars in thousands)

Revenue (Road and Bridge)	2007	2008	2009	2010	2011
Fuel Tax (net)	\$515,160	\$520,472	\$499,427	\$501,967	\$501,531
Vehicle/Driver's Licensing Fees (net)	252,240	271,767	264,883	265,151	265,701
Sales and Use Tax (net)	257,388	257,407	233,680	243,554	262,855
Interest and Miscellaneous	151,839	145,302	186,689	183,268	170,790
Federal Reimbursement ¹	807,350	897,197	847,902	1,132,568	1,587,050
Bond Proceeds	829,994	540,871	144,469	1,107,699	0
Total Revenue	\$2,813,971	\$2,633,016	\$2,177,050	\$3,434,207	\$2,787,927

Revenue (Multimodal)	2007	2008	2009	2010	2011
Aviation Fuel (net)	\$311	\$328	\$197	\$247	\$248
License, Fees, and Permits	2,308	2,006	2,161	1,521	1,951
Sales and Use Tax	9,325	11,067	7,203	6,518	7,360
State General Revenue Fund	12,070	13,470	16,249	11,882	10,313
Interest and Miscellaneous	2,961	2,934	3,076	2,357	1,939
Federal ¹	47,538	47,949	49,070	65,177	42,273
Total Revenue²	\$74,513	\$77,754	\$77,956	\$87,702	\$64,084

Revenue (Highway Safety)	2007	2008	2009	2010	2011
License, Fees, and Permits	\$378	\$370	\$383	\$378	\$367
Interest and Miscellaneous	6	29	30	4	13
Federal Grants	32,924	14,959	24,061	21,144	16,727
Total Revenue³	\$33,308	\$15,358	\$24,474	\$21,526	\$17,107

Notes:

¹ Federal includes revenue received for reimbursement of road and bridge, multimodal and the American Recovery and Reinvestment Act (ARRA) projects.

² Total revenue includes the following funds: Multimodal Operations-Federal, State Transportation, Aviation Trust, State Transportation Assistance Revolving, Grade Crossing Safety Account, Railroad Expense, Light Rail Safety, and General Revenue.

³ Total revenue includes the following funds: Highway Safety, Motor Carrier Safety Assistance Program-Federal and the Motorcycle Safety Trust Fund.

Source: MoDOT.

Transportation Funding

Expenditures for Roads and Bridges, Multimodal, Highway Safety (Dollars in thousands)

Expenditures (Road and Bridge)	2007	2008	2009	2010	2011
Other State Agencies	\$188,385	\$198,544	\$197,131	\$197,673	\$226,253
Debt Service	155,399	167,620	198,487	219,011	283,497
Administration	45,086	46,808	49,214	49,452	48,844
Fleet, Facilities & Info. Systems	108,023	106,341	104,635	111,551	96,972
Maintenance	417,076	436,969	469,901	471,029	470,061
Construction Operating Costs ¹	158,969	153,561	153,071	161,471	158,749
Construction Program	1,380,863	1,220,789	1,377,012	1,454,748	1,391,396
Total Expenditures	\$2,453,801	\$2,330,632	\$2,549,451	\$2,664,935	\$2,675,772

Expenditures (Multimodal)	2007	2008	2009	2010	2011
Operating Costs ²	\$2,401	\$2,545	\$3,010	\$2,652	\$2,650
Transit	34,287	32,545	37,080	55,545	33,265
Rail	7,712	9,709	10,390	15,160	9,311
Aviation	25,804	29,447	26,647	36,075	19,031
Port-Waterway	851	1,549	4,203	2,135	1,415
STAR Fund Loan	250	895	975	0	1,000
Total Expenditures	\$71,305	\$76,690	\$82,305	\$111,567	\$66,672

Expenditures (Highway Safety)	2007	2008	2009	2010	2011
Operating Costs ²	\$508	\$536	\$609	\$524	\$515
Program Specific ³	33,957	14,955	23,839	21,042	16,634
Total Expenditures	\$34,465	\$15,491	\$24,448	\$21,566	\$17,149

Notes:

¹ Includes a portion of Multimodal and Highway Safety costs that were paid from state road funds.

² Does not include costs that were paid from state road funds.

³ Total revenue includes the following funds: Highway Safety, Motor Carrier Safety Assistance Program-Federal and the Motorcycle Safety Trust Fund.

Source: MoDOT.

Transportation Funding

Federal Aid Apportionments based on SAFETEA-LU (Dollars in millions)

Apportionment Category¹	2007	2008	2009	2010	2011
Interstate Maintenance (IM) ²	155.9	160.1	164.9	181.4	192.9
National Highway System (NHS) ³	176.0	178.3	184.8	203.3	216.2
Surface Transportation (STP) ⁴	188.2	195.1	198.9	218.6	233.1
Highway and Bridge (HBP) ⁵	154.8	140.5	141.5	155.5	166.7
Congestion, Mitigation & Air Quality (CMAQ) ⁶	20.2	20.9	21.4	23.5	25.2
Recreational Trails ⁷	1.5	1.5	1.5	1.4	1.8
Metropolitan Planning (MP) ⁸	4.5	4.6	4.7	4.7	5.4
Statewide Planning & Research (SPR) ⁹	15.8	15.9	16.3	16.5	18.5
Highway Safety Improvement (HSIP) ¹⁰	34.4	35.6	35.6	36.7	39.6
Rail / Highway Crossings ¹¹	6.1	6.0	5.8	5.8	6.7
Safe Routes to School (SRTS) ¹²	2.1	2.6	3.3	3.3	3.9
High Priority Projects (HPP) ¹³	73.5	72.2	71.8	0.0	0.0
Equity Bonus (EB) ¹⁴	58.5	65.7	67.4	67.4	70.0
High Risk Rural Roads (HRRRP) ¹⁵	2.4	2.4	2.3	2.4	2.4
Redistributed Funds ¹⁶	0.0	0.0	0.0	56.6	0.0
Total	\$893.9	\$901.4	\$920.2	\$977.1	\$982.4

Notes:

¹ Apportionments are subject to Obligation Limitation. Obligation limitation is a restriction, or “ceiling” on the amount of federal assistance that may be promised (obligated) during a specified time period.

² Interstate maintenance entails resurfacing, restoration, rehabilitation and reconstruction of interstate routes.

³ National Highway System is defined as the construction, reconstruction, resurfacing, restoration and rehab of NHS routes.

⁴ Surface Transportation is the construction, reconstruction, rehabilitation, resurfacing, restoration and operational improvements for highways and bridges, including transportation enhancements such as landscaping and other scenic beautification, pedestrian and bicycle facilities and historic preservation.

⁵ Highway and Bridge include the rehabilitation or total replacement of structurally deficient or functionally obsolete highway bridges. Rehabilitation must restore the structural integrity, as well as correct any major safety defects. Replacement must be in the same general traffic corridor.

⁶ Congestion, Mitigation, & Air Quality includes traffic management, monitoring and congestion relief strategies to assist areas designated as non-attainment under the Clean Air Act Amendments (CAAA) of 1990.

⁷ Recreational Trails is for the development, construction, maintenance and rehabilitation of trails and trail facilities.

⁸ Metropolitan Planning is for transportation planning activities to develop metropolitan area transportation plans and transportation improvement programs.

⁹ Statewide Planning & Research includes transportation planning activities to develop the statewide transportation improvement program. It also includes studies, research and training on engineering standards and construction materials.

¹⁰ Highway Safety Improvement is for highway safety improvements to eliminate hazardous roadways.

¹¹ Rail/Highway Crossings is for highway safety improvements to mitigate hazards caused by rail-highway grade crossings.

¹² Safe Routes to School includes infrastructure and non-infrastructure related projects that will substantially improve the ability for students to walk and bicycle to school.

¹³ High Priority Projects are specified by Congress.

¹⁴ Equity Bonus ensures that each state receives a specific share of the major highway programs based on contributions to the highway account of the highway trust fund. The funds can be used for any of the programs listed above.

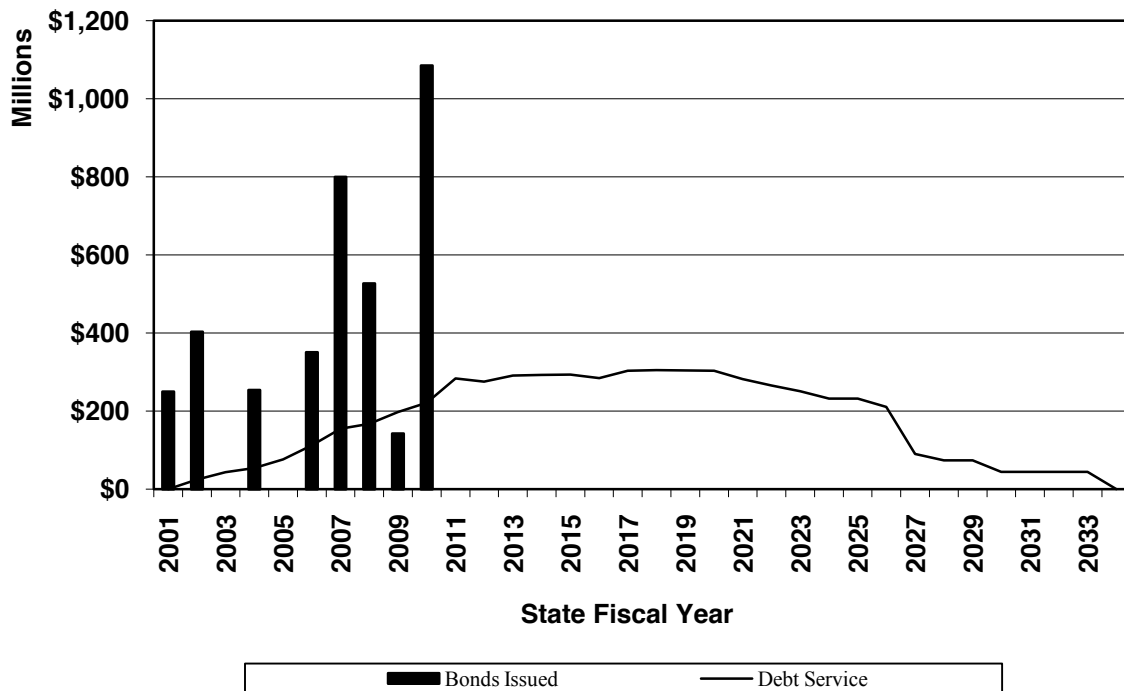
¹⁵ High Risk Rural Roads is for the construction and operational improvements on roadways functionally classified as a rural major or minor collector or a rural local road in order to achieve a significant reduction in traffic fatalities and incapacitating injuries.

¹⁶ In 2010, \$56.6 million was available in redistributed funds to be used in any category of apportioned funds. In 2011, the redistributed funds were distributed among all categories by FHWA at the time of authorization.

Source: Prepared by MoDOT based on amounts received or authorized under SAFETEA-LU.

Transportation Funding

Summary of State Road Bond Financing Program (Dollars in millions)



Note:

The Missouri General Assembly authorized MoDOT to issue \$2.25 billion in bonds in 2000. MoDOT issued bonds in fiscal years 2001, 2002, and 2003 totaling \$907 million, referred to as senior lien bonds. Voters approved Amendment 3 in 2004 authorizing MoDOT to issue bonds by providing additional vehicle sales taxes previously deposited to the state's General Revenue Fund. MoDOT issued \$1.98 billion of Amendment 3 bonds from fiscal years 2005 through 2010. The bonds issued do not include refunding bonds. In addition to senior lien and Amendment 3 bonds, MoDOT issued \$928 million of Grant Anticipation Revenue Vehicle (GARVEE) bonds in fiscal years 2009 and 2010.

Source: MoDOT.

Transportation Funding

Highway User Fees to Local Governments by Fiscal Year (Dollars in thousands)

Cities				
	Motor Fuel Revenue	Vehicle Sales Tax	Motor Vehicle Fees	Total
2005	106,890	26,323	19,549	152,762
2006	104,820	23,700	21,804	150,324
2007	105,875	28,229	23,909	158,013
2008	106,362	23,815	16,783	146,960
2009	101,686	19,856	15,968	137,510
2010	102,113	19,468	15,932	137,513
2011	103,065	21,853	16,177	141,095

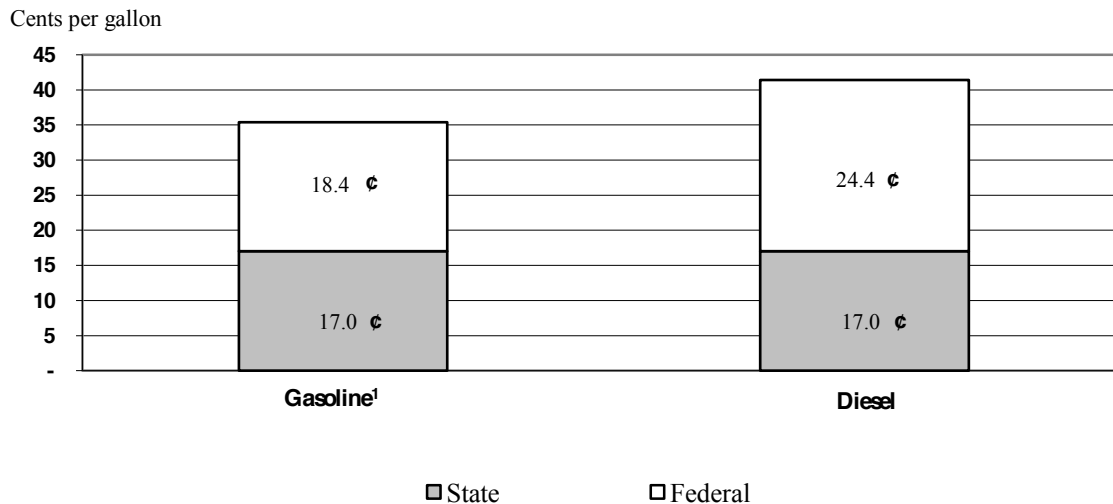
Counties				
	Motor Fuel Revenue	Vehicle Sales Tax	Motor Vehicle Fees	Total
2005	83,831	17,549	13,033	114,413
2006	82,208	15,800	14,536	112,544
2007	83,036	18,819	15,939	117,794
2008	83,418	15,877	11,189	110,484
2009	79,750	13,238	10,645	103,633
2010	80,085	12,979	10,621	103,685
2011	80,851	14,572	10,787	106,210

Total				
	Motor Fuel Revenue	Vehicle Sales Tax	Motor Vehicle Fees	Total
2005	190,721	43,872	32,582	267,175
2006	187,028	39,500	36,340	262,868
2007	188,911	47,048	39,848	275,807
2008	189,780	39,692	27,972	257,444
2009	181,436	33,094	26,613	241,143
2010	182,198	32,447	26,553	241,198
2011	183,916	36,425	26,964	247,305

Source: Prepared by MoDOT based on Missouri Department of Revenue data.

Transportation Facts

Missouri's State and Federal Fuel Tax Rates and Fuel Tax History



Note:

¹ The gasoline taxes are also levied on gasohol.

State Fuel Tax History:

- The first state fuel tax rate was 2 cents per gallon, established in 1924.
- Fuel tax rate increased to 3 cents per gallon in 1952.
- Fuel tax rate increased to 5 cents per gallon in 1961.
- Fuel tax rate increased to 7 cents per gallon August 13, 1972.
- Fuel tax rate increased to 11 cents per gallon effective June 1, 1987 (Proposition A).
- Fuel tax rate increased to 13 cents per gallon effective April 1, 1992.
- Fuel tax rate increased to 15 cents per gallon effective April 1, 1994.
- Fuel tax rate increased to its current rate of 17 cents per gallon effective April 1, 1996.

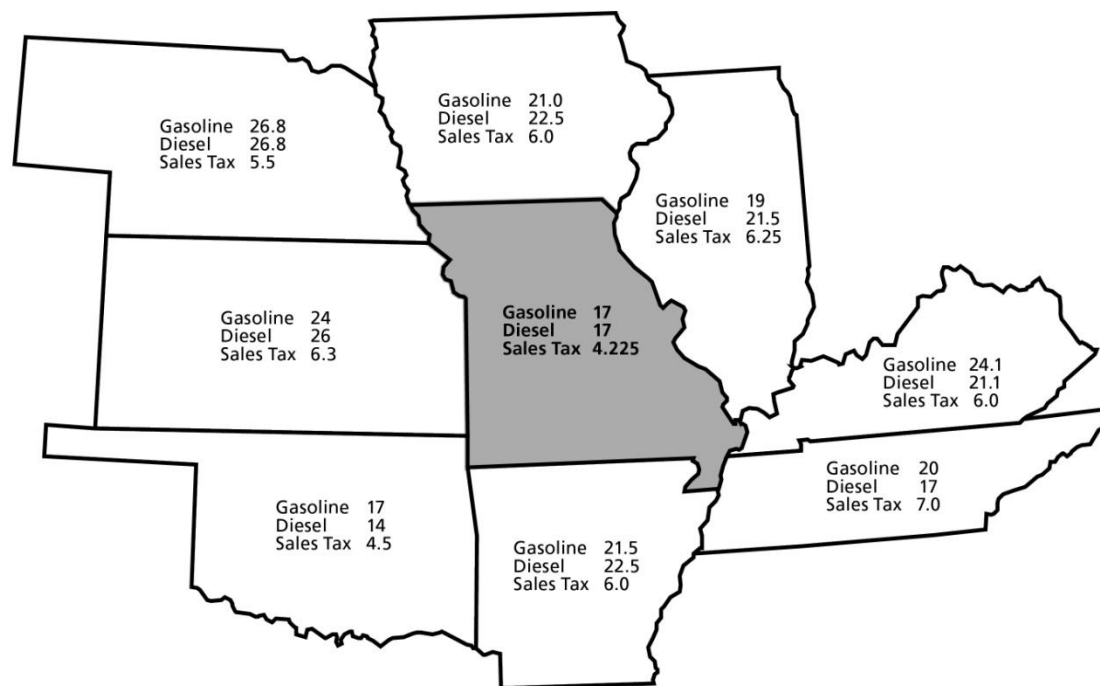
Federal Fuel Tax History:

- The first federal fuel tax rate was 1 cent per gallon, established in 1932.
- Fuel tax rate increased to 3 cents per gallon for both gasoline and diesel in 1956.
- Fuel tax rate increased to 4 cents per gallon for both gasoline and diesel in 1959.
- Fuel tax rate increased to 9 cents per gallon for both gasoline and diesel in 1983.
- Fuel tax rate increased to 15 cents per gallon for diesel in 1984.
- Fuel tax rate increased to 9.1 cents per gallon for gasoline and 15.1 cents per gallon for diesel in 1987.
- Fuel tax rate increased to 14.1 cents per gallon for gasoline and 20.1 cents per gallon for diesel in 1990.
- Fuel tax rate increased to its current rate of 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel in 1993, with fluctuations in the distribution of the tax in 1995, 1996 and 1997 with the current distribution effective October 1, 1997.

Source: Prepared by MoDOT based on Federal Highway Administration data.

Transportation Facts

Comparison of Missouri's Contiguous States Highway Revenue and Other Key Statistics



Note:

Gasoline and diesel are shown in cents per gallon. All states listed above use the same rate for gasohol as gasoline except Iowa (19 cents).

Source: Prepared by MoDOT based on the Highway Statistics 2009 published by the Federal Highway Administration. State sales tax rates based on the Federal Tax Administration data.

Transportation Facts

Missouri Vehicle Registrations and Licensed Drivers Fiscal Year 2011

Vehicle Type	Number
Passenger Cars	3,495,086
Trucks ¹	1,454,478
Recreational Vehicle	19,352
Buses	18,257
Motorcycles	149,662
Total	5,136,835

Number of licensed drivers in Missouri	
Male	2,350,107
Female	2,366,757
Total	4,716,864

Note:

¹ Includes 50,954 trucks registered to travel in other states with fees prorated on mileage.

Source: Prepared by MoDOT based on Missouri Department of Revenue data.

Transportation Facts

Net Motor Fuel Gallons Taxed (Gallons in millions)

Fiscal Year	Gasoline¹	Diesel	Total	Percent change
1989	2,617	589	3,206	2.807
1990	2,622	614	3,236	0.929
1991	2,633	592	3,225	-0.324
1992	2,679	604	3,283	1.781
1993	2,686	613	3,299	0.500
1994 ²	2,766	697	3,463	4.953
1995	2,796	709	3,505	1.248
1996	2,837	772	3,609	2.968
1997	2,887	782	3,669	1.631
1998	2,931	802	3,733	1.775
1999 ³	2,926	835	3,761	0.741
2000	3,056	916	3,972	5.582
2001	2,975	860	3,835	-3.441
2002	3,025	914	3,939	2.708
2003	3,083	923	4,006	1.702
2004	3,148	977	4,125	2.993
2005	3,158	1,025	4,183	1.395
2006	3,124	1,032	4,156	-0.635
2007	3,109	1,033	4,142	-0.347
2008	3,119	1,064	4,183	0.982
2009	3,068	934	4,002	-4.316
2010	3,086	946	4,032	0.750
2011	3,066	967	4,033	0.019

Notes:

¹ Gasoline gallons include gasohol gallons.

² Beginning January 1, 1994, the Federal government moved the collection point to the terminal. All tax exempt diesel had to be dyed.

³ Beginning January 1, 1999, the State moved the collection point to the rack (terminal). Fiscal year 2000 was the first full year of collections at the terminal.

Source: Prepared by MoDOT based on Missouri Department of Revenue month of distribution data.

Transportation Facts

Potential Transportation Revenue Options-Motor Fuel Tax

Yield from Increasing Gas Excise Tax ¹

	1-Cent	3-Cent	5-Cent
State (70%)	\$21,464,439	\$64,393,316	\$107,322,194
City (15%)	4,599,523	13,798,568	22,997,613
County (15%)	4,599,523	13,798,568	22,997,613
Total	\$30,663,485	\$91,990,452	\$153,317,420

Yield From Increasing Diesel Fuel Excise Tax¹

	1-Cent	3-Cent	5-Cent
State (70%)	\$6,766,585	\$20,299,754	\$33,832,924
City (15%)	1,449,982	4,349,947	7,249,912
County (15%)	1,449,982	4,349,947	7,249,912
Total	\$9,666,549	\$28,999,648	\$48,332,748

Yield From Increasing All Motor Fuel Excise Tax

	1-Cent	3-Cent	5-Cent
State (70%)	\$28,231,024	\$84,693,071	\$141,155,118
City (15%)	6,049,505	18,148,515	30,247,525
County (15%)	6,049,505	18,148,515	30,247,525
Total	\$40,330,034	\$120,990,101	\$201,650,168

Yield From Implementing Sales Tax On Motor Fuel ²

	1.0%	3.0%	5.0%
State (70%)	\$91,647,334	\$274,942,002	\$458,236,670
City (15%)	19,638,714	58,916,143	98,193,572
County (15%)	19,638,714	58,916,143	98,193,572
Total	\$130,924,762	\$392,774,288	\$654,623,814

Notes:

¹ Potential yields are based on fiscal year 2011 net diesel gallons taxed of 966,654,973 and net gasoline and gasohol gallons taxed of 3,066,348,390.

² The gasoline price per gallon is \$3.55 and the diesel price per gallon is \$3.82 as reported in the August 5, 2011 Missouri Energy Bulletin. Yields exclude federal and state motor fuel tax in the calculation.

Source: MoDOT.

Transportation Facts

Potential Transportation Revenue Options-Sales and Use Tax

Yield From Increasing Motor Vehicle Sales Tax

	0.10%	0.25%	0.75%	1.00%
State (87.5%)	\$5,946,456	\$14,866,140	\$44,598,420	\$59,464,560
City (7.5%)	509,696	1,274,241	3,822,722	5,096,962
County (5%)	339,797	849,494	2,548,481	3,397,975
Total	\$6,795,949	\$16,989,875	\$50,969,623	\$67,959,497

Yield From Increasing Motor Vehicle Use Tax

	0.10%	0.25%	0.75%	1.00%
State (75%)	\$1,253,776	\$3,134,441	\$9,403,324	\$12,537,765
City (15%)	250,755	626,888	1,880,665	2,507,553
County (10%)	167,170	417,925	1,253,776	1,671,702
Total	\$1,671,701	\$4,179,254	\$12,537,765	\$16,717,020

Yield From Increasing General Sales Tax (Excludes Motor Vehicle Sales & Use Tax)

	0.10%	0.25%	0.75%	1.00%
State (100%)	\$58,506,667	\$146,266,667	\$438,800,000	\$585,066,667
City (0%)	0	0	0	0
County (0%)	0	0	0	0
Total	\$58,506,667	\$146,266,667	\$438,800,000	\$585,066,667

Yield From Increasing General Sales Tax (Includes Motor Vehicle Sales & Use Tax)

	0.10%	0.25%	0.75%	1.00%
State	\$65,706,899	\$164,267,248	\$492,801,744	\$657,068,992
City	760,451	1,901,129	5,703,387	7,604,515
County	506,967	1,267,419	3,802,257	5,069,677
Total	\$66,974,317	\$167,435,796	\$502,307,388	\$669,743,184

Source: Prepared by MoDOT based on fiscal year 2011 receipts.

Transportation Facts

Potential Transportation Revenue Options-Motor Vehicle and Driver Licensing Fees

Yield From Increasing All Passenger Car Fees

	\$5.00	\$10.00	\$25.00	\$30.00
State (75%)	\$13,106,573	\$26,213,145	\$65,532,863	\$78,639,435
City (15%)	2,621,315	5,242,629	13,106,573	15,727,887
County (10%)	1,747,543	3,495,086	8,737,715	10,485,258
Total	\$17,475,431	\$34,950,860	\$87,377,151	\$104,852,580

Yield From Increasing All Truck & Bus Fees

	\$5.00	\$10.00	\$25.00	\$30.00
State (75%)	\$5,522,756	\$11,045,513	\$27,613,781	\$33,136,538
City (15%)	1,104,551	2,209,103	5,522,756	6,627,308
County (10%)	736,368	1,472,735	3,681,838	4,418,205
Total	\$7,363,675	\$14,727,351	\$36,818,375	\$44,182,051

Yield From Increasing Driver Licensing Fees

	\$5.00	\$10.00	\$25.00	\$30.00
State (75%)	\$2,580,199	\$5,160,398	\$12,900,994	\$15,481,193
City (15%)	516,040	1,032,080	2,580,199	3,096,239
County (10%)	344,027	688,053	1,720,133	2,064,159
Total	\$3,440,266	\$6,880,531	\$17,201,326	\$20,641,591

Source: Prepared by MoDOT based on Missouri Department of Revenue fiscal year 2011 passenger registration and truck and bus registrations and 2010 driver license renewal information.

Transportation Facts

Distribution of Highway User Fees Fiscal Year 2011

Fuel Taxes Rates:

State:	Gas/ Gasohol	Percent	Diesel	Percent
MoDOT-Roads & Bridges	12.45¢	73.2%	12.45¢	73.2%
Cities ¹	2.55¢	15.0%	2.55¢	15.0%
Counties ²	2.00¢	11.8%	2.00¢	11.8%
Total State	17.00¢		17.00¢	

Federal:	Gas/ Gasohol	Percent	Diesel	Percent
Underground Storage Tank	0.10¢	0.5%	0.10¢	0.4%
Transit Account	2.86¢	15.5%	2.86¢	11.7%
Highway Account	15.44¢	83.9%	21.44¢	87.9%
Total Federal	18.40¢		24.40¢	

TOTAL FUEL TAX RATE	35.40¢	41.40¢
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Motor Vehicle Sales and Use Taxes:	Sales	Percent	Use	Percent
MoDOT-Roads & Bridges	2.96%	70.0%	3.750%	88.8%
MoDOT-Other Transportation Modes	0.04%	1.0%	-	
Cities ¹	0.300%	7.1%	0.150%	3.6%
Counties ²	0.200%	4.7%	0.100%	2.4%
School District Trust Fund	0.500%	11.8%	-	
Department of Conservation	0.125%	3.0%	0.125%	3.0%
Department of Natural Resources	0.100%	2.4%	0.100%	2.4%

TOTAL STATE TAX RATE	4.225%	4.225%
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Motor Vehicle & Drivers Licensing Fees:	Fees prior to 1/1/80	Increase Fees after 1/1/80
MoDOT - Roads & Bridges	100%	75%
Cities ¹	-	15%
Counties ²	-	10%

Notes:

¹ City share is based on population.

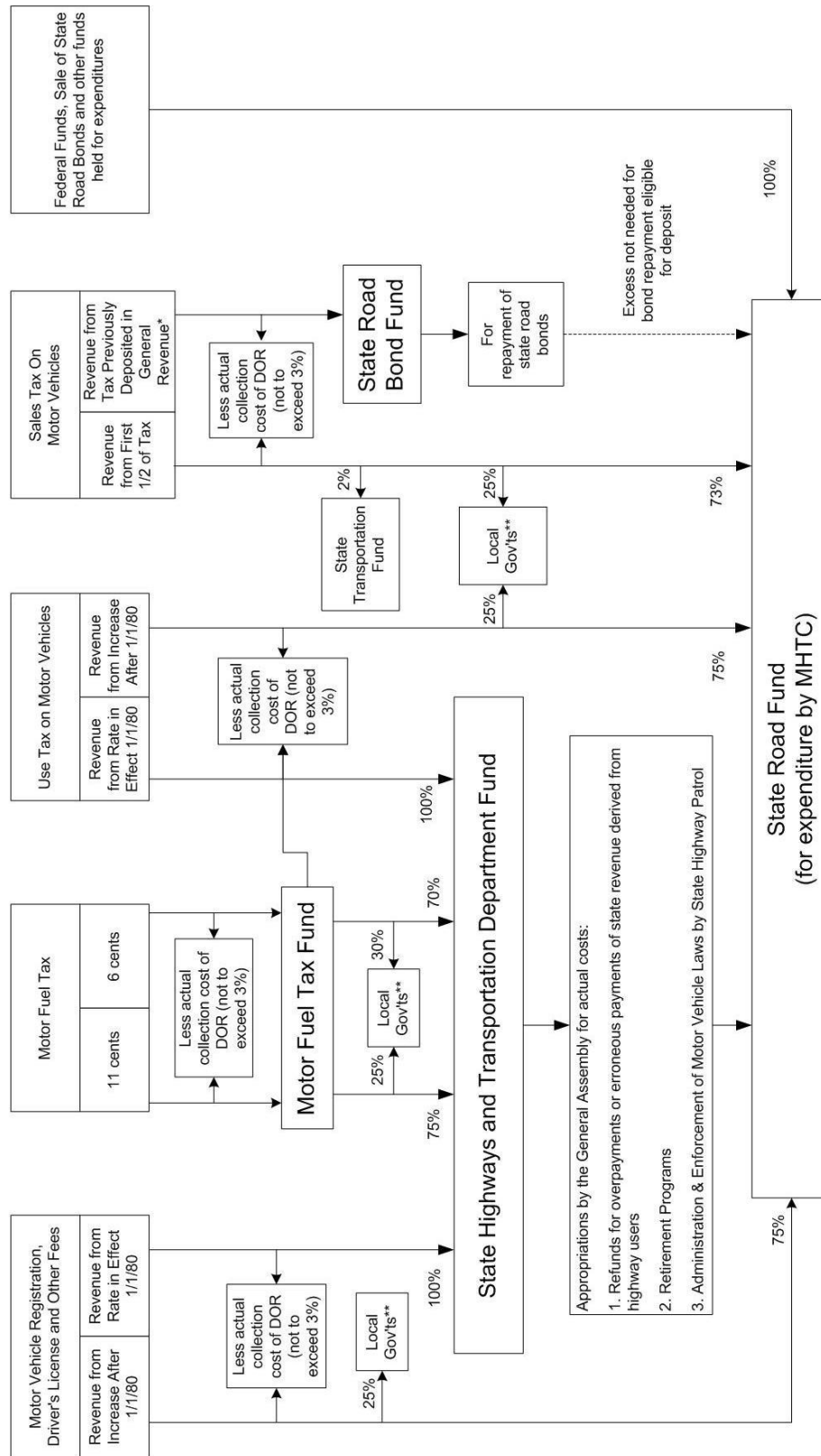
² County share is based on rural assessed land valuation and rural road mileage.

Source: MoDOT.

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION (MHTC)

Road and Bridge Funding - Summary

(Effective 7/1/2005)

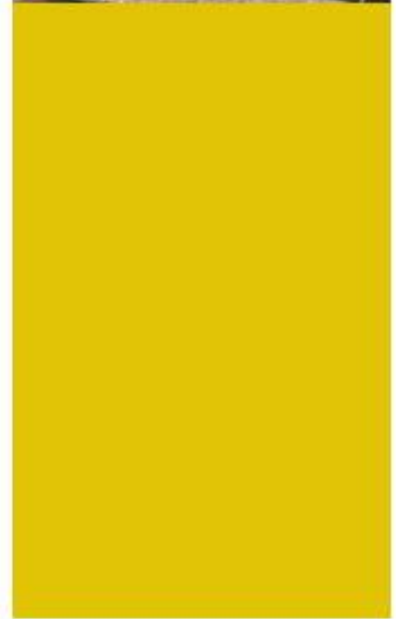


Source: MoDOT



Missouri Department of
Transportation
Financial Services
573.526.2575

www.modot.org
1-888 ASK MODOT



APPENDIX H

Missouri Highways and Transportation Commission

Missouri Highways and Transportation Commission

The Commission was constitutionally established by the voters many years ago. Its membership is set at six, of which no more than three can be from one political party. The members are appointed by the Governor for six year terms and are subject to the advise and consent of the state Senate. This bipartisan group selects its Chair and Vice Chair which must come from the two most senior members and must rotate annually. The members, much like a local school board, set policy, approve all contracts, select the management team and adopt an annual budget. Members are not paid, all meetings are open and are generally held monthly. By policy, they meet in Jefferson City when the Legislature is in session and then otherwise meet around the state to get a sense of our state's diverse transportation needs. Historically, politics has had no place in decision making at the Commission level.

Current Members



Chair
Name: Rudolph E. Farber
Appointed: 3/19/07
Term Ending: 3/1/2013
Political Party: Republican
Residence: Neosho



Vice Chair
Name: Grace M. Nichols
Appointed: 03/17/2008
Term Ending: 3/1/2013
Political Party: Democrat
Residence: St. Charles



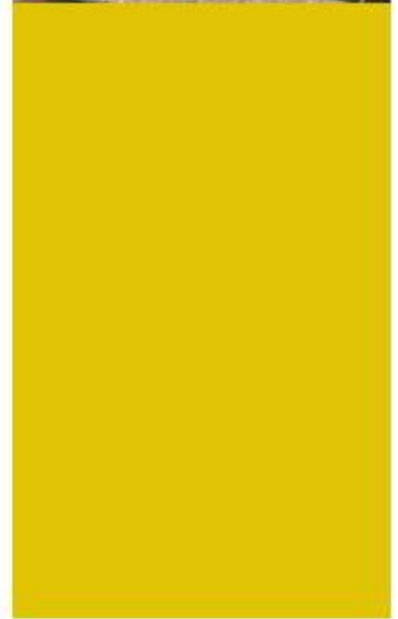
Name: Lloyd J. Carmichael
Appointed: 4/2/2009
Term Ending: 3/1/2015
Political Party: Democrat
Residence: Springfield



Name: Stephen R. Miller
Appointed: 8/11/2009
Term Ending: 3/1/2011
Political Party: Republican
Residence: Kansas City



Name: Kenneth H. Suelthaus
Appointed: 6/1/2010
Term Ending: 3/1/2015
Political Party: Republican
Residence: St. Louis



APPENDIX I

Funding Distribution

Funding Distribution

The Missouri Highways and Transportation Commission approved a funding distribution method in January of 2003 that was modified in June of 2004 and again in February of 2006. A modification in February of 2011 increased the amount set aside for the Cost Share and Economic Development program from \$30 million per year to a variable amount which ranges from \$35.39 million to \$37.47 million in this STIP. A modification in March 2012 increased the base amount set aside for the Cost Share and Economic Development program by \$10 million per year plus a variable amount based on project savings. This funding distribution and its subsequent modifications were developed with extensive public involvement and are consistent with MoDOT's Mission, Values and Tangible Results. The following steps outline the distribution of funds for the Highway and Bridge Construction Program.

Of the total funds available, including federally earmarked funds:

Step 1: Deduct federally sub-allocated funds designated for specific purposes (Varies).

Step 2: Deduct funding for other transportation modes (aviation, railways, transit and waterways) appropriated by the state legislature for the designated purposes (Varies). This funding cannot be used for roads and bridges.

Step 3: Deduct federal discretionary (above-formula) earmarks for distribution to the related earmarked projects. This distribution will be in addition to the district-distributed funds. This amount varies per year based on the actual years that the earmarked projects are programmed or projected to be programmed.

Step 4: Deduct funding for economic development and cost-share projects statewide (Varies).

Step 5: Deduct the financing cost for projects accelerated through bond financing, including debt service relative to Amendment 3 (Varies).

Step 6: Deduct a projected \$60 million per year (\$93.5 million in State Fiscal Year 2013) in funds dedicated to specific projects such as a city's portion of a cost share project.

Of the remaining funds available for road and bridge improvements:

Step 1: Deduct Amendment 3 Funds for use on Element 3 of MoDOT's Smoother, Safer, Sooner Program. This amount varies per year based on the actual years that the Amendment 3, Element 3 projects are programmed or projected to be programmed.

Step 2: Allocate \$460 million per year to Taking Care of the System, divided as follows:

- \$125 million for Interstates/Major Bridges
- \$ 25 million for Safety Projects
 - Distribution based on three-year average accident rate.
- \$310 million for remaining Taking Care of System
 - Distribution based on a formula that averages:
 - Percent of total Vehicles Miles Traveled (VMT) on the National Highway System and remaining arterials.

- Percent of square feet of state bridge deck on the total state system.
- Percent of total lane miles of National Highway System and remaining arterials.

Step 3: Allocate up to \$131 million per year to Flexible Funds that can be used for either Taking Care of the System or Major Projects and Emerging Needs. This amount may be reduced if funding is not available.

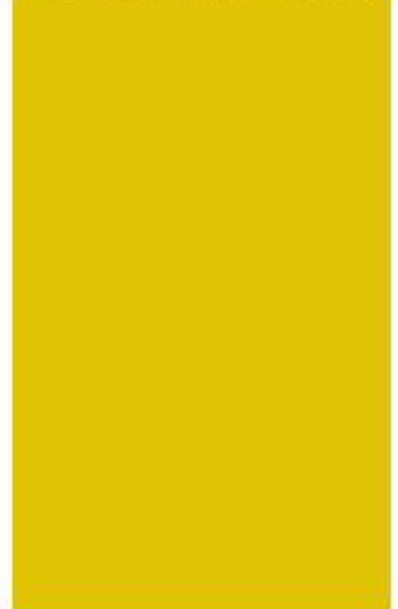
- Distribution based on the average of:
 - o Percent of total population.
 - o Percent of total employment.
 - o Percent of total VMT on the National Highway System and remaining arterials.

Step 4: Allocate remaining funds, if any, to Major Projects and Emerging Needs. These funds are distributed to the three Transportation Management Areas and the rural area based on a formula that averages:

- Percent of total population.
- Percent of total employment.
- Percent of total VMT on the National Highway System and remaining arterials.

Half of the rural area funding is distributed to the districts based on the above factors. The other half of the rural funding will be used for statewide rural projects.

(Source: Statewide Transportation Improvement Program, 2013 – 2017)



APPENDIX J

Public Involvement

Public Involvement

Public involvement in project development and programming activities is a key element in gaining public acceptance critical to the success of any transportation improvement program. The recent multi-year federal transportation bills have emphasized the necessity of public involvement. In Missouri, the approach is primarily to seek involvement from four groups: metropolitan planning organizations, regional planning commissions, local officials and the general public. Through public involvement, Missourians have a say in how transportation dollars are spent.

Metropolitan planning organizations represent urbanized areas with populations over 50,000. They are responsible for transportation planning within their regions. Regional planning commissions represent multi-county rural regions and are charged with coordinating functions of local governments, including transportation planning. The public is involved in the planning process in two ways: 1) through election of the local officials who comprise the regional planning commission and metropolitan planning organization boards of directors; and 2) through direct contact with MoDOT, metropolitan planning organizations, regional planning commissions or local officials. (See Section 1 for contact information regarding metropolitan planning organizations, regional planning commissions and MoDOT district offices.)

Public involvement for development of transportation improvements begins several years before the projects actually appear in the Statewide Transportation Improvement Program (STIP). Transportation planning consists of a series of decisions that direct the use of current and future available resources to accomplish Missouri's transportation goals. The current transportation planning process can be summarized in the following steps.

1. Develop the state's transportation vision and a plan to accomplish it
2. Identify and prioritize needs
3. Develop solutions and design projects
4. Prioritize and select projects for the STIP's Highway and Construction Schedule

Develop the State's Transportation Vision and a Plan to Accomplish It

MoDOT's long-range transportation plan identifies the state's transportation vision. The plan also identifies what the public expects of the state transportation system, including high-priority statewide corridors and goals for taking care of the system. It identifies the values that guide needs and project prioritization for a 20-year planning horizon.

The vision is Missouri's ideal transportation system. However, Missouri cannot afford all the components of this ideal system. The long-range transportation plan also includes policies and goals, and a fiscally constrained strategy for achieving the highest-priority components of the transportation vision within an agreed-upon timeframe. This requires working with planning partners to determine where Missouri's transportation dollars should be spent.

MoDOT's current long-range plan, Missouri Advance Planning (MAP), was completed in April 2007. Information regarding the long-range plan can be found at

www.modot.org/plansandprojects/index.htm. Projects identified in the STIP have been given priorities based on, and are consistent with, the long-range transportation plan.

Identify and Prioritize Needs

There are many transportation problems, often called needs, on Missouri's transportation system. Identifying these needs is a continuous process and crucial for successful planning. For example, one need might be redesigning a high-accident location, such as an intersection; another need might be a location improvement that helps a new business move products more efficiently. There are two levels of needs identification, regional and statewide, and they are classified in two groups – physical system condition needs and functional needs. Physical system condition needs target the state of repair of road and bridge components. Functional needs target how well the transportation system is operating.

Statewide needs are identified formally through the long-range transportation plan process, and public outreach is done in conjunction with the long-range transportation plan development. These needs typically cross several county lines, and involve interstates and major highways. MoDOT districts work with planning partners – such as local and regional elected and community officials, and representatives of the metropolitan planning organizations and regional planning commissions – to identify regional transportation needs. Specific methods and timeframes are discussed in the implementation section of MoDOT's planning framework for guiding transportation decisions and investments.

Prioritizing needs is the process of deciding which problems, from the list of identified needs, should be addressed first. This can be a difficult task given a wide variety of needs. Not only do needs have different subject matter – safety, maintenance or economic development – they have varying time horizons. A structurally deficient bridge might be a more immediate need than a resurfacing project. However, simply being an immediate need does not imply higher priority. These complicated decisions require a coordinated effort from many groups.

Needs prioritization is based on the goals in Missouri's long-range transportation plan. MoDOT districts work with planning partners to prioritize regional needs annually. Statewide needs are prioritized periodically as funds become available; however, emerging needs can be added to the needs priority list between updates. Both regional and statewide needs will be prioritized using the processes established in MoDOT's planning framework, which are based primarily on objective data. Information regarding the planning framework can be found at www.modot.org/plansandprojects/index.htm. Using the results of the prioritization process as a starting point, MoDOT districts work with planning partners to divide needs into three categories.

- High – Resources are focused on addressing these needs first. They are the first to be selected for preliminary engineering.
- Medium – These needs may be addressed as additional resources become available.
- Low – No work is in progress to address these needs at this time.

The high-priority needs list is fiscally constrained to about 10 years of funding and is not a commitment to design or construct projects. Existing needs will be re-evaluated each time needs are prioritized. Some high-priority needs may never be designed or constructed due to prohibitive costs, changing priorities or other reasons. Needs from the high-priority list will be selected for preliminary project design.

Develop Solutions and Design Projects

When the high-priority needs have been identified, they are evaluated to find the best solution to the problem based on engineering expertise, public input and financial considerations. Environmental impact is another factor that influences the development and selection of a solution. There are a variety of environmental reviews that must occur for the proposed solutions. Some solutions may be less desirable or eliminated from consideration due to the extent of the environmental impacts. After a solution is agreed upon, design plans are started.

Determining the cause of a problem is often more complicated than might be expected. For instance, a high incidence of accidents at a given intersection might be due to poor sight distances, weather conditions, signal timing, roadway geometry or even reckless driving. Identifying the primary reason or combination of reasons for the problem is key to developing effective solutions.

When a problem is identified, the natural tendency for any problem-solver is to immediately offer the solution. Effective planning requires developing many possible solutions in order to capture the most efficient and effective solution. MoDOT engineers and planners are experts at generating good solutions to transportation problems. MoDOT staff is even more effective when working with local and regional officials to generate the solutions. This process reveals issues and concerns that may not have previously been evident.

The public's involvement in defining needs and determining the appropriate solutions will take several forms. The public may actually initiate the investigation of needs by contacting MoDOT or its planning partners. The public, through its local officials, has representation in determining the best solution for the transportation need. As MoDOT develops public involvement plans for specific projects, the public will have further opportunity to review concepts and provide input.

Prioritize and Select Projects for Construction

Deciding which projects to do and when to do them is a complicated and often controversial matter. Gathering and discerning public input is crucial to realizing the full benefit of available funds for Missouri's transportation system. MoDOT relies on local and regional planning agencies for this process.

The project prioritization processes are based primarily on data and serve as a starting place for determining the best candidates for funding. There are separate project prioritization processes for each category in MoDOT's funding distribution method.

MoDOT recognizes the need for a balance between taking care of the current transportation system and expanding the system to accommodate anticipated future demand. As a result,

transportation funding is divided accordingly. The nature of this balance is adjusted through the level of funds in each category. The project prioritization processes include the following.

- Safety
- Taking care of the system
- Major projects and emerging needs (regional)
- Major projects and emerging needs (statewide)
- Interstates and major bridges

Projects are divided into three categories - high, medium and low - within each funding category. Each time projects are prioritized, existing projects not yet programmed for construction are re-evaluated.

Projects are prioritized against other projects in the same funding category. Larger projects of statewide significance are compared with one another. Smaller projects and those intended to take care of the existing system are compared with one another. MoDOT works with local and regional officials to determine the priority of the projects in each funding category. Projects on the high-priority project list are candidates for funding.

Additionally, each of Missouri's seven metropolitan planning organizations (MPO) located in Columbia (Columbia Area Transportation Study Organization - CATSO), Jefferson City (Capital Area Metropolitan Planning Organization - CAMPO), Joplin (Joplin Area Transportation Study

Organization - JATSO), Kansas City (Mid-America Regional Council - MARC), St. Joseph (St. Joseph Area Transportation Study Organization - SJATSO), St. Louis (East-West Gateway Council of Governments - EWGCOG) and Springfield (Ozarks Transportation Organization - OTO) prepares a Transportation Improvement Program (TIP) and a long-range transportation plan (LRTP) for its MPO area. These TIPs are the accumulation of federally funded projects proposed by their local governments and MoDOT. These projects are consistent with the LRTP's goals and objectives. MoDOT uses public input received throughout the year to develop its submittal for the MPO's TIP. Each MPO has an approved public involvement plan for its respective area that allows for review and feedback from individual citizens, organizations, agencies and local area governments. Using public input as one of its decision factors, the MPO determines the projects in its area that will be programmed for construction.

These TIPs are incorporated by reference into the five-year STIP without modification.

Public Review Period

Comments from the public and the planning partners are considered throughout the year in an effort to maximize Missouri's resources. Based on public and engineering input, a draft of the STIP is published, followed by a 30-day public review period. During this public review period, the program is distributed to MoDOT districts for public access, and the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) for review. The STIP is also available on MoDOT's Web site at www.modot.org/plansandprojects/index.htm. Citizens have the opportunity to provide comments by mail, e-mail or telephone (by calling 1-888-ASK-MODOT) to district representatives during this time period. MoDOT responds to the comments received through an acknowledgement or by providing additional information, depending on the

nature of the comment. Most answers or acknowledgements are sent within five business days of receiving the comment. Some comments require more time for research before an answer can be provided. Changes are made as appropriate in response to comments before a final STIP is developed and presented to the Missouri Highways and Transportation Commission (MHTC) for approval. Input from this part of the process will be used to measure the effectiveness of the program and to begin making improvements on next year's program. The STIP becomes effective when approved by the MHTC as well as the FHWA and FTA.

(Source: Statewide Transportation Improvement Program, 2013 – 2017)